

DISADVANTAGED YOUNG PEOPLE LOOKING FOR WORK A JOB IN ITSELF?

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This report describes the task for jobseekers in the UK labour market in 2010–11. It focuses on young jobseekers with limited education and skills, and particularly on those from disadvantaged neighbourhoods.

The research covers three areas of the UK with varying levels of unemployment. It explores the availability of jobs and the number of jobseekers. It reports interviews with employers and young jobseekers. It also reveals the results of a unique experiment involving over 2,000 applications by fictional candidates to real jobs.

The research shows that:

- The recession has affected job supply in all areas. Intense competition means advertised jobs can be filled within days or even hours. Even well-qualified candidates can face repeated rejection. Jobseekers without constant access to the internet are at a disadvantage.
- Competition varies between places and types of work. Widening the types of job or distance searched over does not always reduce competition. Good local intelligence is vital.
- Despite widespread belief in 'postcode discrimination', there was no statistically significant difference in the success rates of fictional applicants from areas with poor reputations or other places.
- Location does matter. Many employers overtly prefer candidates who live nearby.

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EXECUTIVE SUMMARY

Introduction

This report describes the job search task for young people looking for work requiring limited education and skills.

Since autumn 2008, the UK labour market has become more challenging for all jobseekers. Unemployment is particularly high for young people and for those who have limited education and skills.

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. The research focused on a specific subset of jobs: sales assistants, security guards, cleaners, office administrators, kitchen hands, chefs and accounts clerks. It included analysis of local vacancy data, an 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.

Key findings

- Since the recession the labour market has become increasingly competitive. This is marked by a reduction in vacancies and those available being filled more quickly. Overall there is a deficit in demand for labour.
- All local areas have felt the impact of recession and subsequent economic fragility. Nevertheless, there is substantial variation between places and occupation types. Geography matters. Jobseekers need to have good intelligence about their local labour market and employers' recruitment and selection practices to enhance their chances of success in competing for jobs.
- A large proportion of low-skilled vacancies are for jobs that are part time or involve non-standard hours, or both, and most are low paid. This makes it less likely that jobseekers will travel a long way for them. Employers also tend to actively prefer local candidates for such jobs. Thus, while jobseekers need to search beyond their immediate neighbourhood, policies that demand much wider geographical searches are not necessarily going to get more people into work.
- Intense competition means that many jobs are filled very quickly. This is facilitated by increasing use of the internet for recruitment. Some employers advertise vacancies online and close them as soon as they have sufficient applicants. Not all jobseekers are aware how active and

speedy they need to be in responding to vacancies in the current climate. Those without access to the internet at home or who can only search sporadically for jobs will be at a disadvantage.

- Despite widespread perceptions amongst the general public that employers will discriminate against residents from neighbourhoods with poor reputations, the controlled experiment carried out as part of this research found no statistically significant evidence of postcode discrimination.

A job in itself

Applying for work in tough times is a difficult, and often thankless, task. Labour market conditions have remained very difficult since the recession. The number of claims for Job Seeker's Allowance rose sharply in the autumn of 2008, remained relatively high throughout 2009 and 2010 and then started to rise again in late 2010. The number of vacancies has fallen and they are being filled more quickly than they were before the onset of recession in 2008.

Even in the most difficult local labour markets there are vacancies to apply for. It is not true to say, as one young job seeker interviewed did, that there are 'no jobs' to apply for. However, jobseekers have particular skills and experience, preferences and constraints and cannot be expected to apply to any and every vacancy. Employers or labour market intermediaries interviewed criticised indiscriminate applications because they wasted candidates' and employers' time. Optimistic statements citing the total number of vacancies in an area as evidence of good chances of employment have to be treated with some caution.

The situation also varies from place to place and people in some places face a more difficult task than others. In the three local labour markets considered here, competition varied from more than five jobseekers per notified vacancy in the strong local labour market to more than ten in the weak local labour market.

Some of the vacancies are not particularly attractive in terms of pay and conditions. We searched virtually full time for vacancies for in three local labour markets over ten months, for selected jobs that require limited education and skills: sales assistants, security guards, cleaners, office administrators, kitchen hands, chefs and accounts clerks. Of the vacancies we identified, 76 per cent were part time or had non-standard hours, or both. Seventy-eight per cent of the jobs with wage data available paid under £7 per hour and therefore under the 'living wage'. Fifty-four per cent paid at the minimum wage level. Many jobseekers will be prepared to take any job, but jobs with minimal or non-standard hours and low pay pose real constraints for people who are trying to combine several jobs or combine work with family or caring responsibilities, or who would incur significant extra costs (e.g. travel, childcare, uniforms) in taking work.

Transport is a particularly important issue. While most of the jobseekers we spoke to were very willing to travel, more than half of the identified vacancies would have been difficult to get to for jobseekers living in deprived neighbourhoods if they did not have access to a car and were reliant on public transport. Employers tended to express a preference for people living nearby, especially for jobs involving non-standard hours. This suggests that policies that require people to look further afield for work, while encouraging a proactive attitude, will not necessarily succeed in getting more people into employment.

On the other hand, more could be done to help jobseekers enhance their chances of success. Employers' recruitment methods changed substantially over the 2000s, with further changes as a result of the recession. Many had virtually ceased to advertise vacancies in the press and had switched to the internet on grounds of cost. However, the means used to recruit and to select varied considerably, between job type and area and by individual employer. Some notified their job vacancies to Jobcentre Plus and the vacancies were placed on www.direct.gov.uk. Some used their own corporate websites or various private websites. Most supplemented the internet in some way. It is important that jobseekers find out as much as possible about employer behaviour, where vacancies are advertised and how jobs are filled in their local labour market.

In particular, some employers (smaller private sector firms in particular) look at applications as soon as they arrive and close vacancies very quickly. In the experiment, applications sent one to three days after jobs were first advertised were twice as likely to receive positive responses as those sent after one week had elapsed. This suggests that jobseekers need to search daily and respond to vacancies quickly. Seeking a job is *a job in itself*. Those without access to the internet at home or who can only search sporadically for jobs will be at a disadvantage.

Experiences of jobseekers

Most of the young unemployed people interviewed wanted work and had taken steps to find it. They understood employers' requirements, and were, in general, realistic about the types of jobs and wages they could hope to attain.

Most followed general good practice in using a variety of job search methods and sources of job search advice and support. All used the internet and for most this was the most important tool. A majority, but not all, had internet access at home. More confident jobseekers also made speculative applications, by email, by post or in person. Some young people engaged in volunteering, others sought to improve their qualifications and some relied on networks of friends to help them find work, with varying degrees of success.

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

What happens when candidates are well qualified and suitably experienced and are applying full time for work? In the experiment conducted for this research, seven out of ten applications – and these were good applications for the vacancies in question – heard nothing back. No feedback is the norm. This is very discouraging for jobseekers who have spent time and effort on preparing their applications. Nevertheless, the experiment also revealed that good applications do succeed eventually. Typically, the fictional candidates received a positive response (such as a request for interview or more information) to their fourth application, although experiences even for these candidates varied from success on the first attempt to having to make over 50 applications before a positive response was received.

There was substantial variation between local areas and occupation types. Applicants 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 local labour market. Office admin candidates needed to make nearly twice as many applications as accounts clerk candidates to generate the same number of positive responses.

The young people interviewed in this research were less well qualified than the fictional candidates and some had almost no work experience. Some faced additional potential disadvantages, including criminal records, health problems and caring responsibilities. Some had made hundreds of applications without success. Most of their applications received no response. Some jobseekers changed their 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 and that this might partly explain variation in employment rates between neighbourhoods. Our research showed that this perception was widespread amongst the general public and some labour market intermediaries.

The experiment involved 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 preferences for candidates from neighbourhoods with different reputations. Thus there was no evidence of 'postcode discrimination' for these relatively well-qualified candidates for these jobs and local labour market areas.

A particular point to be borne in mind is that the internet affords a certain degree of protection from postcode discrimination; as one interviewee put it, 'you can say you're from anywhere'. In addition, for many vacancies national or regional staff, who were unlikely to be aware of neighbourhood reputations, carried out all or part of the selection process. It remains possible that postcode discrimination could be an issue for well-qualified candidates at subsequent stages in the selection process, for vacancies advertised in different ways and for weaker candidates. These issues remain to be tested.

Conclusion

The current economic context presents one of the most challenging labour market scenarios for young people in recent decades. Young people tend to be disproportionately disadvantaged at times of economic crisis. Although supply-side measures may assist particular groups, only measures that add to the total number of jobs in weak local labour markets will have an impact on overall employment and unemployment rates.

Given anxiety about long-term scarring and welfare dependency, governments in this situation tend to emphasise the importance of more active job seeking: look harder and travel further. Jobseekers, on the other hand, may become increasingly discouraged and demotivated by lack of success. Perceptions of 'postcode discrimination' are particularly likely in

economic crisis, as jobseekers know that employers can afford to be 'more choosy'. They seek explanations for persistent rejection.

This report emphasises the importance of very active job searching. Because of intense competition, the importance of rapid reaction to vacancies and the apparent value of tailored applications, the most productive job-seeking and application practice constitutes 'a job in itself'. However, it also suggests that more scattergun activity (i.e. applying for more types of jobs in ever more distant locations) is not always better. Indeed any advice or policy that simply results in increased applications per vacancy may result in additional wasted employer and job seeker time. Jobseekers need to be helped to develop good intelligence about their local labour market and develop tailored strategies for individual areas and job types. Much of this data could be generated through the websites and databases of the Department for Work and Pensions (DWP). 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.

Those with no internet at home and those who rely on public transport will be at a disadvantage. However, the research suggests that postcode discrimination, in itself, should not be a major concern for well-qualified applicants from neighbourhoods with poor reputations. They should apply without fear that their address will be held against them. Nevertheless, variations in opportunities between local labour market areas mean that jobseekers in some places face a more difficult task in finding work than those elsewhere.

1 INTRODUCTION

This research explores exactly what the task was for disadvantaged young jobseekers in 2010–11, especially those from neighbourhoods with bad reputations.

A job in itself? The task for disadvantaged young jobseekers

This report describes the task of finding work in the UK labour market in 2010–11. It focuses on the task for young jobseekers, with limited education and skills, and particularly those living in disadvantaged neighbourhoods.

Raising overall employment rates, or maintaining them at as high a level as possible, is a key element of government policy but poses a huge challenge in the prevailing economic climate. Since the end of 2007, the UK labour market has become tougher for all jobseekers. Large numbers of new job vacancies continue to be advertised and it remains the case that some employers report shortfalls in acceptable applicants, at least for certain types of work and in some locations. However, overall the number of vacancies advertised has substantially reduced, and vacancies are remaining unfilled for shorter times. The number of claims for Jobseeker's Allowance (JSA, a benefit for people who are out of work yet actively searching work) and the percentage of those who were economically active and looking for work started to rise in late 2007, and remained at a sustained higher level. There are also concerns about rising levels of economic inactivity, as discouraged workers withdraw from the labour market (Green, 1997; Mackay, 1999; Beatty *et al.*, 2007); underemployment, as people who want to work full time in a permanent position can obtain only part-time or temporary jobs; and the quality and sustainability of the jobs that are available.

In this situation of reduced labour demand and intensified competition, the position of groups who have fewer labour market advantages is of particular concern. These groups include older workers and people from ethnic minorities as well as those that form the focus of this report: young people, those who have limited education and skills and those living in places with histories of higher unemployment. Concerns about youth unemployment are particularly marked (ACEVO, 2012). Unemployment

rates for people aged 16–24 have risen sharply and increasing proportions of people in this age group are not in education, training or employment; this status is known as ‘NEET’ (not in education, employment or training) (Lee and Wright, 2011). Unemployment and NEET rates in places with histories of higher unemployment have risen and there are very high rates in particular neighbourhoods (e.g. Tunstall with Fenton, 2009; Hills *et al.*, 2010). The potential for unjustified discrimination against particular groups of people is clearly also greater in a situation in which more people are chasing a single job and employers can be more choosy. In particular, there is much anecdotal evidence of ‘postcode discrimination’ against people from disadvantaged neighbourhoods (e.g. Hastings and Dean 2003; Dewson, 2005; Sanderson, 2006; Fletcher, 2007; Green and White, 2007). Perceptions of such treatment may discourage job seeking.

Against this backdrop, media stories and personal anecdotes about people who have made numerous job applications without success have become very familiar, painting a desperate story of lengthy, determined but fruitless job searches. So too have stories about people who are claiming out-of-work benefits but are not making reasonable efforts to find a job. Stories of both kinds can be very powerful in shaping public opinion and policy debate, but what evidence is there to support them? How typical are these cases and to what extent are the outcomes affected by the quality of applications or applicants’ particular location, job type and search strategy? Without more evidence about what the job search task entails, and what job searching can be expected to achieve, it is difficult to make any judgement about whether a job search is suitably energetic and whether limiting one’s effort or being discouraged might be a rational response to rejection. Whilst we know the job market was tough at the time of this study, the actual implications for disadvantaged jobseekers are not known with any degree of detail, leaving policy responses and public opinion largely in the dark.

Research aims

This research aims to fill the current evidence gap by exploring exactly what the task is for disadvantaged young jobseekers in 2010–11, especially for those from neighbourhoods with bad reputations. Drawing on vacancy and unemployment statistics, interviews with employers, intermediaries and jobseekers themselves, and evidence from an experiment in applying for jobs, it asks:

- 1 What is the state of the labour market for young people with limited education and skills, and how does this vary by job type and in different parts of the country?
- 2 How do employers with jobs requiring limited education and skills seek and select employees, and how do such jobseekers search and apply for jobs?
- 3 What responses do jobseekers get to their job applications? What success rates are achieved, and how do these vary by job type, area and the characteristics of the applicant?
- 4 Do people living in neighbourhoods with poor reputations face ‘postcode discrimination’?
- 5 What are the implications for government, employers, young jobseekers and those who advise them?

Research methods

As noted above, this report is based on research carried out in 2010–11, using a wide range of methods and collecting varied data on contemporary job markets and job seeking. More detail on data and methods can be found in later chapters and the appendices.

In brief, we first carried out a *review of existing literature* on labour markets, job searching, the impact of recession and explanations for spatial variations in employment and non-employment, including the idea that there might be ‘postcode discrimination’ by employers.

The empirical research then focused on *three contrasting urban labour markets* in England and Wales, one of them a relatively low-unemployment area (referred to as ‘the strong local labour market’), one with very high unemployment (the ‘weak local labour market’) and one in between (the ‘medium local labour market’). The report does not name the three areas, in order to maintain the confidentiality of interviewees and of the experiment we carried out (see below). However, the three areas represent a range of local circumstances. Further details on the choice of areas are found in Appendix 1.

Within each local labour market, we focused on *jobs that require limited education and skills*: initially, sales assistants, security guards, cleaners and office administrators. Advertisements for the first three types of jobs generally demand at most GCSE qualifications, while office administrator posts may require A levels. For all the jobs, pay is generally below average and in most cases close to the national minimum wage. In theory these jobs should be available to applications from a high proportion of all jobseekers.

We researched the demand for, and supply of, labour for jobs of each type using *official statistics on vacancies and jobseekers* (from Nomis, at www.nomisweb.co.uk), taking into account issues of location and transport as well as the numbers of jobs in the local labour markets overall. Further details of the methods used can be found in Appendix 2. We supplemented this statistical data with interviews of *employers and labour market intermediaries* such as employment agencies and jobseekers’ advisors. We carried out a total of 14 interviews with employers who were based in the three case study local labour markets and who had recently recruited people to one or more of the job types being examined. Interviewees were selected to cover employers of different sizes, predominantly from the private sector but also from the public and voluntary sectors, and from different industrial sectors with jobs that young people with intermediate or lower-level qualifications might fill. We asked them about the state of local labour markets for their job types and about their recruitment and selection practices. We also interviewed eleven labour market intermediaries. Further details of people interviewed are given in Appendix 3. In addition, we toured city centres and case study neighbourhoods on foot to assess the *number of job adverts in public places* (e.g. notice boards, shop windows). Then we used two main sources of evidence for the experiences of young jobseekers in these areas.

At the heart of the research was an *experiment*. We created *personas of fictional young people* aged 22 to 24 years who lived in the case study local labour markets and were seeking work that required limited education and skills. These personas were used to make applications to real job vacancies.

The fictional young people were intended to represent people who would be relatively well-qualified candidates for the jobs concerned, with relevant work histories and appropriate soft skills such as time keeping and presentability. The initial aim of the experiment was to investigate whether there was any evidence for ‘postcode discrimination’ in employment, with

employers showing preference for applicants from neighbourhoods with better reputations. In order to discern this, it needed to yield at least some success from the applications submitted; if all were unsuccessful, no preferences would be seen. Entering relatively, but not excessively, strong candidates thus ensured that the research would generate results. It also ensured that we were not only reporting on the 'worst cases'.

Within each local labour market, the research focused on *three contrasting neighbourhoods*, two with higher levels of deprivation and poor reputations and one with average deprivation and a 'bland' reputation. To maintain the distinction between any preference for neighbourhood reputation and ethnicity, neighbourhoods were all selected to have very small minority ethnic populations. In each local labour market, one of our personas was living in each neighbourhood and appeared to have grown up there. To confirm the choice of neighbourhoods, we *interviewed members of the public* in the three local labour markets about neighbourhood reputations, scoured local press reports and examined deprivation data.

The vacancies applied to were identified using the Jobcentre Plus website (<http://jobseekers.direct.gov.uk>), the main source of data on the supply and demand for labour in the three local labour markets and the main job search tool used by the young people we interviewed. Because of the nature of the experiment, we could apply only for jobs that were publicly advertised, and those that did not require candidates to drop in or phone up for more information or to apply, which, in some cases, were only a minority of all jobs available. Also, we needed to select jobs for which we were as confident as we could be that the person making recruitment decisions would be based locally.

Between August 2010 and June 2011 we made three applications to each of 667 real jobs in the three local labour markets, a total of 2,001 applications, and recorded the results. While the experiment was intended primarily to explore whether there was evidence of different treatment for those who were equal but came from neighbourhoods with different reputations. It also allowed us to gather evidence of the job-seeking task and of application success rates that was independent of the recall and perspective of both jobseekers and employers, and to explore how these varied between job types and local labour markets. Further details on the experiment are found in Appendix 4.

Finally we carried out *interviews with young people with limited education and skills* from the three local labour markets who were looking for work, or had been doing so recently. We spoke to a total of 57 young men and women, mostly in their early twenties, in a combination of group and individual interviews. Almost all were unemployed and looking for work, many in the types of jobs we were focusing on. Almost all faced disadvantages in the labour market compared with many peers of their age in the same areas as well as nationwide. Importantly, they were generally less well-qualified and experienced candidates than the fictional personas in the experiment, enabling us to report on a wider range of experiences. They told us about their job search strategies, how much time they spent searching, the results they had experienced and how they reacted to their experiences. Further details on the interviewees can be found in Appendix 3.

Structure of the report

The remainder of the report describes our results, following the order of the methods described. Chapters 2 and 3 describe the state of the local labour markets at the time of the research and the extent to which circumstances varied between labour markets and job types. Chapter 4 reports on the result of the experiment; it shows how relatively well-qualified (fictional) candidates fared in their applications for (real) jobs. Chapter 5 reports on the job seeker interviews and the experiences of applicants who have fewer labour market advantages. Chapter 6 summarises the results and draws out implications for government policy, practitioners and jobseekers themselves.

2 A TOUGHER LABOUR MARKET

To be successful, jobseekers need to be well aware of the methods that employers are using to find their employees, as well as their criteria for selection.

Labour market trends

Over the period of the research (July 2010 to June 2011) economic conditions in England and Wales were difficult and worsening.

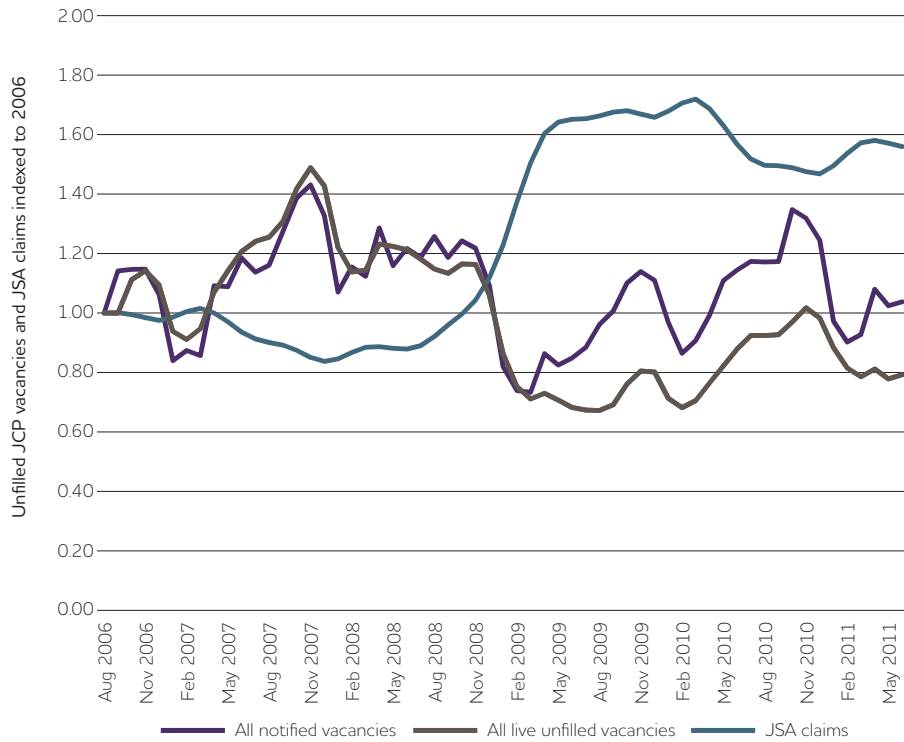
Figure 1 illustrates the effect of the 2008/9 recession and its aftermath on three labour market indicators: the number of claimants of Jobseeker's Allowance (JSA), the number of vacancies notified to Jobcentre Plus (JCP) and the number of live unfilled JCP vacancies (ones that were actually available for jobseekers to apply for).

JSA claims rose sharply in the autumn of 2008, remained relatively high throughout 2009 and 2010 and then started to rise again. During the eleven-month period of the research, the number of claims rose from nearly 1.247 million to nearly 1.294 million in England and Wales, a figure 75 per cent higher than at the corresponding time of year in 2008 before the onset of recession.

On the demand side, the numbers both of vacancies notified to JCP and of live unfilled vacancies fell sharply in autumn 2008 and to some extent recovered thereafter. However, as the economy began to grow, the number of notified vacancies rose more steeply than the number of unfilled vacancies. In other words, jobs were advertised in increasing numbers but the volume available to jobseekers at any one time (measured at monthly intervals) did not go up in the same proportion because more people were also seeking work. Jobs were being filled more quickly. From autumn 2010, numbers of vacancies began to fall again. Over the study period itself, the numbers of unfilled vacancies fell from 266,000 to 240,000, a figure one-third lower than before the recession in June 2008.

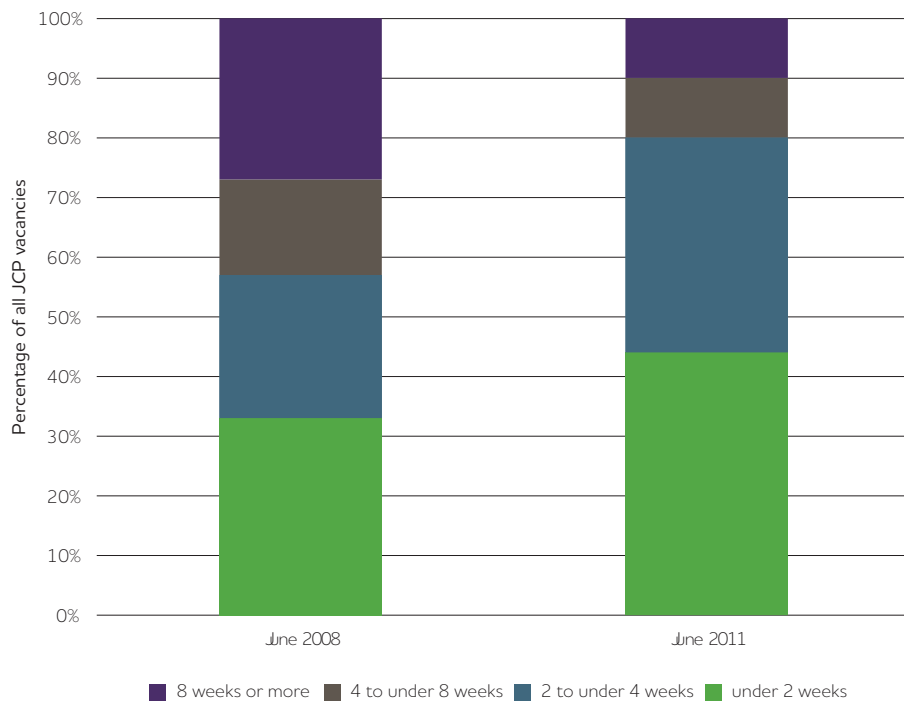
Putting these two figures together, the number of JSA claimants for each unfilled vacancy (not shown) was 2.06 in June 2008, 4.69 at the beginning of the research period and 5.39 at the end. The effect of increasing competition on the turnover of vacancies is shown in Figure 2. In June 2008, only 33 per

Figure 1: Trends in vacancies and Jobseeker's Allowance claims, England and Wales, summer 2006 to spring 2011. (Three-month rolling averages indexed to the position June–August 2006.)



Source: Nomis (www.nomisweb.co.uk).

Figure 2: Duration of unfilled JCP vacancies, England and Wales June 2008 and June 2011.



Source: Nomis (www.nomisweb.co.uk).

cent of unfilled vacancies in England and Wales had been 'live' for under two weeks, compared with 44 per cent in June 2011. In June 2008, 57 per cent had been open for less than four weeks, rising to 80 per cent in June 2011.

These changes were repeatedly remarked upon by the employers, intermediaries and jobseekers we interviewed. For example, a young people's careers advisor in the medium local labour market, whose job was to find vacancies and pass them on to clients, said that before the recession he found about 100 suitable jobs a week, but by 2011 this was down to 60 a week. A 25-year-old man from the weak local labour market said: 'you used to be able to walk straight in, now you don't get the chance.' Others from the same area agreed that competition had intensified: 'everyone's out of a job and looking for one' and 'without the factories, and the works [which have closed] ... there's not really anything for people'.

The behaviour of employers

In conditions like these, understanding of employers' recruitment and selection practices is critical to understanding access to jobs. Competitive markets mean that, to be successful, jobseekers need to be well aware of the methods that employers are using to find their employees, as well as their criteria for selection. There are different norms and conventions in advertising for different types of employers and different types of jobs; so a job seeker using one method for job search may see some vacancy adverts, but not others. Yet employer practices are often downplayed in labour market studies. Keep and James (2010) described them as 'the great neglected topic'. Our interviews with employers, intermediaries and jobseekers, as well as the data collected during the experiment, provide insights into employer behaviour since the recession, and particularly into the potential for 'postcode discrimination'.

Recruitment practices

It was evident from the data collected that a wide range of recruitment methods were used. Nearly all employers interviewed had used word of mouth and family and friends recommendations in the past year, nearly all had used their own website (if they had one), most had used JCP, most had reacted to speculative enquiries and some had used general newspapers, magazines and associated websites, commercial employment websites and other sources of candidates, including agencies and posters. The majority used two or more methods for each vacancy, a practice also reported by Green *et al.* (2011).

Despite this continuing variety, a clear shift towards greater use of web-based methods and away from print media was also evident. Jobcentre Plus is promoting the use of the internet for job searches, and the use of digital services more generally for delivery of its services (Whitfield *et al.*, 2010). As well as the employment website (<http://jobseekers.direct.gov.uk>) there are numerous private sector job vacancy sites, including gumtree.com, monster.co.uk and fish4jobs.co.uk. Employers' own websites were increasingly used for some web-based recruitment. Analysis of data on vacancies from the three local labour market areas collected during the course of the experiment suggest that, in at least one in five cases, applicants for office assistant and security guard vacancies were directed to the employer's website for details on how to apply. These insights underline the potential labour market disadvantage faced by jobseekers without easy access to the internet, and indeed this was noted by one large public sector employer

in the weak local labour market, who commented that ideally recruitment would 'go all online', but that a decision had been taken not to do so because of 'the nature of the area' (i.e. not all potential applicants were online).

While most employers had notified their vacancies to JCP (in some cases because this was free), employers from the private sector seemed less likely to do so than those in the public sector. One reason for this, highlighted by a hotel manager in the strong local labour market, was that experience had shown that 'the calibre of the candidates just wasn't good enough.' A fear of having a large number of applicants deemed 'unsuitable' for vacancies may be off-putting to some employers who might otherwise consider using JCP services.

Some employers referred to use of agencies in recruitment for specific occupations. In the weak local labour market one intermediary noted a general trend towards 'greater use of agency staff for non-core workers', such that employers engage staff as and when required, rather than recruiting direct employees. A hotel manager in the weak local labour market said that recruitment for cleaning and housekeeping staff was now entirely through a private sector provider of employability services, which sent workers on a work trial: 'we take them on for four weeks and it's absolutely free. Then we can say whether they are suitable or not.' This recruitment method was deemed to be working so well that it was being recommended to other hotels within the chain.

More informal, and low-cost, recruitment channels included word of mouth and recommendations, including 'refer a friend' schemes, which might be seen as 'de-risking' recruitment on the grounds that the person referred is likely to feel beholden to the employee for their job. Advertising outside one's own premises and in local shop windows were other methods, although our research suggests that the latter is used relatively little. In each local labour market we searched for job adverts visible in public places in the city centre and each of the three case study neighbourhoods. After more than 18 hours of searching, we found only 34 adverts for jobs – a small fraction of the number available instantaneously through the internet.

Selection practices and criteria

Interviewees' accounts of recruitment practices tended to suggest that the main trends (towards internet-based methods and increasing use of agencies) were already well established before the recession, and only slightly exacerbated by it, with extra pressures on cost cutting. Selection decisions were, however, being made in a very different environment in 2010–11 from three years previously, with much greater demand for every job. Understanding selection practices and criteria is therefore particularly important.

One clear issue that emerged from the research was the speed with which selection decisions were being made. Data from www.direct.gov.uk indicates rapid turnarounds. In May 2011, 35 per cent of sales and retail vacancies notified and shown on the site were removed within one week, as were 37 per cent of cleaner and domestics posts, 33 per cent of kitchen and caring assistants (including chef and kitchen hand posts) and 30 per cent of office assistants (including office admin and accounts clerks).

The interviews tended to suggest that processes were speedier in the private sector than in the public sector, in which employers routinely waited until the advertised closing date before commencing selection. Public sector, and some larger private sector, organisations also had formal first-stage screening processes in which the general practice was, as a personnel manager for a large public sector organisation in the medium labour market

said, for candidates to be ‘scored against set criteria’. One large private sector employer, for example, described an automated ‘Candidate Management System’ to screen candidates in this way. Smaller organisations tended to send an initial positive response leading to an interview or sometimes to candidates working part of a shift, or to a longer job trial. One interviewee seeking staff to work in a pub outlined how he would phone candidates to ‘see what they are like’. If they were already working in the local area he might go to that establishment to see them working. Such behaviour was not the norm, albeit other interviewees emphasised the need to ensure getting the right ‘fit’ of candidate for the position and organisation concerned, particularly for customer services roles. This was often as much about soft skills and character attributes as about qualifications.

Indeed, qualifications emerged as a relatively unimportant criterion in employers’ accounts of how they selected candidates from the many on offer. Experience, soft skills and location relative to the place of work seemed more important for the types of jobs that are the focus of concern here.

Most adverts we examined as part of the experiment stated that some experience of the role in question, or a similar post, was either required or preferred. Employers thought experience improved productivity and reduced training time. However, adverts did not specify lengthy experience, and several employers referred to necessary training that lasted a matter of hours or days, suggesting that fairly limited experience might be sufficient. For example, a hotel manager in the medium local labour market was looking for people who had ‘operated a dishwasher, used cleaning materials before’. On the other hand, while extensive experience may not have been necessary, lack of any work experience or transferable life experience could be a serious drawback. One welfare-to-work provider in the weak local labour market pointed to this problem: ‘we’ve got people that have never worked, studied or raised a family, so how are you going to sell them on paper if they’ve never done anything?’

Compared with experience, most employers and intermediaries interviewed said that formal education and qualifications were, at most, a minor factor in selection. (see also Hasluck, 2011). For example, an employment agent in the weak local labour market said that, for catering, a food hygiene certificate helped but was not strictly necessary. A GP (family doctor) practice manager in the weak labour market said no qualifications were required, because staff would receive training. An accountant in the weak local labour market who looked for a specific post-16 vocational qualification was an exception. Rather than formal qualifications or particular vocational skills, most employers were looking for soft skills including punctuality, reliability, willingness, social skills and self-presentation. For example, a manager of a domestic cleaning company in the medium local labour market said that she needed staff who were reliable and who had ‘a bit of a noddle’ (common sense), while ‘common sense and maturity’ were what were sought at the GP practice. The hotel manager said, ‘I want to employ people who will smile’. A pub manager in the strong local labour market said, ‘it might sound horrible, but it’s got to be the right “cultural fit”’. The manager of a small accountancy firm in the weak local labour market was looking for ‘someone who’s quite relaxed, and can communicate well with clients, and just get on well with me’. A careers advisor in the average labour market confirmed that, for retail jobs, employers ‘do like to see the person, to see how they communicate and what they look like’.

According to one local authority apprenticeship officer, GCSEs tended to matter only for the youngest jobseekers with little experience, and acted as a proxy measure of good behaviour. Likewise a bar manager in the strong

“Most employers and intermediaries interviewed said that formal education and qualifications were a minor factor in selection”

local labour market said that education was not required for the job but ‘it might be important in terms of what it says about the candidate in general’. Although qualifications may not have been directly required for the work, it was notable that all labour market areas contained universities, and in two of them there was some evidence of students and graduates competing for jobs requiring limited education and skills.

A third valued criterion was distance or ease of public transport journeys between candidates’ homes and the workplace. This was particularly true for part-time and shift work. For example, the hotel in the medium local labour market said they might sift applications by distance as ‘they may be finishing at one, two o’clock in the morning, after public transport’. A catering, cleaning and factory agency in the strong labour market would not hire someone from an area where there was no early morning public transport because candidates needed to be at a pick-up point to distant factories by 7am. The small cleaning company in the medium local labour market said, ‘someone who is up in [an area an hour’s journey away] is going to be no use to me’. This was true even if applicants had a car, because of the cost of petrol relative to the wages offered.

However, employers looking for staff to work 9am–5pm were also concerned about distance. The GP practice in the weak labour market said, ‘the key thing is that they can get in on time’, and a labour market intermediary in the same area confirmed that, for low-skilled and low-paid jobs, ‘we know from experience that it doesn’t work if people are too far away’.

Summary

This data paints a picture of a competitive labour market for low-skilled work, with initial stages increasingly conducted over the internet, decisions made quickly and, at least for some jobs, employers looking for people living nearby or with their own transport, with good soft skills and a modest amount of relevant experience, although not necessarily any specific qualifications. In Chapters 4 and 5 we examine how fictional and real-life candidates with varying attributes fared when searching for work in this context. Before that, however, Chapter 3 explores issues of labour market conditions in more detail, looking at differences between and within local labour markets and at the issue of job location and accessibility. How much work is ‘out there’ for people looking for these kinds of low-skilled jobs in different parts of the country?

3 VARIATIONS BETWEEN AREAS AND JOBS

Two key questions are the extent to which jobseekers are experiencing different conditions in different parts of the country, and whether this is changing over time. For some places and some jobs, there is a deficit in demand for labour.

Introduction

Understanding the ways in which fewer vacancies and more jobseekers in the national labour market translate into particular local labour market conditions and for specific jobs is not straightforward. Official data on vacancies is available through JCP. However, these represent only some of the opportunities on offer; others may be available through other channels. Estimates suggest that JCP vacancies represent between a third and a half of all vacancies. The figure is likely to vary between places and according to job type and a higher proportion of lower-skilled vacancies is likely to be reported to JCP (Bentley, 2005). Most, but not all, of the employers interviewed in this project used JCP. Snapshots of these 'live unfilled vacancies' are taken every month, and at the local level they vary considerably month by month, making any one snapshot on its own an unreliable indicator. In addition, lags in notification that a vacancy has been filled may mean that some of the vacancies in the statistics are actually no longer available.

Which vacancies should be counted? Politicians wishing to emphasise the strength of the economy may cite figures for 'all vacancies' available in a local area, but in practice, of course, any individual job seeker is much more constrained than this by their experience, skills, qualifications and preferences. Other factors such as domestic responsibilities or other paid or unpaid work, and the costs of work such as childcare, travel, uniforms and forgone welfare benefits will also constrain specific jobseekers with

regard to the total hours of work, shifts and pay rates that they are able to consider.

We also know that the chances of getting any job applied for will depend on the extent of competition, but this too is hard to assess. The overall ratio of JSA claimants to unfilled vacancies is commonly cited as a measure of labour market competition at local level (e.g. <http://touchstoneblog.org.uk/2011/05/scottish-industrial-heartlands-join-inner-london-as-worst-place-to-find-a-job/>). Claimants also notify JCP about the kinds of work they are looking for, making it possible to compare the number of vacancies for specific occupations with the number of people registered as looking for them. However JSA claimants represent only a proportion of the people applying for jobs. They will be competing with people who are not working but not claiming JSA (for example people hoping to return to work after looking after a family) and those who already have jobs but are looking to change. In addition, no accurate estimate can be made of the actual behaviour of jobseekers in choosing which kinds of vacancies to apply for. Some will search narrowly, perhaps constrained by their experience and skills, while others will list a particular occupation sought but scatter their applications more widely in practice. Occupation-specific competition ratios can therefore only be taken as indicative.

For these reasons, while precise occupation-specific claims such as ‘there are 200 applicants for every cleaning vacancy’ do reflect high levels of competition, the exact figures should be treated with caution. Nevertheless, vacancy and job seeker data can be used to provide a broad indication of trends over time, differences between labour markets and variation between job types. Here we use it to provide more evidence of the kinds of situations faced by the applicants in our job-seeking experiment and the jobseekers we interviewed. Further detail on the statistics and methods used is included in Appendix 2.

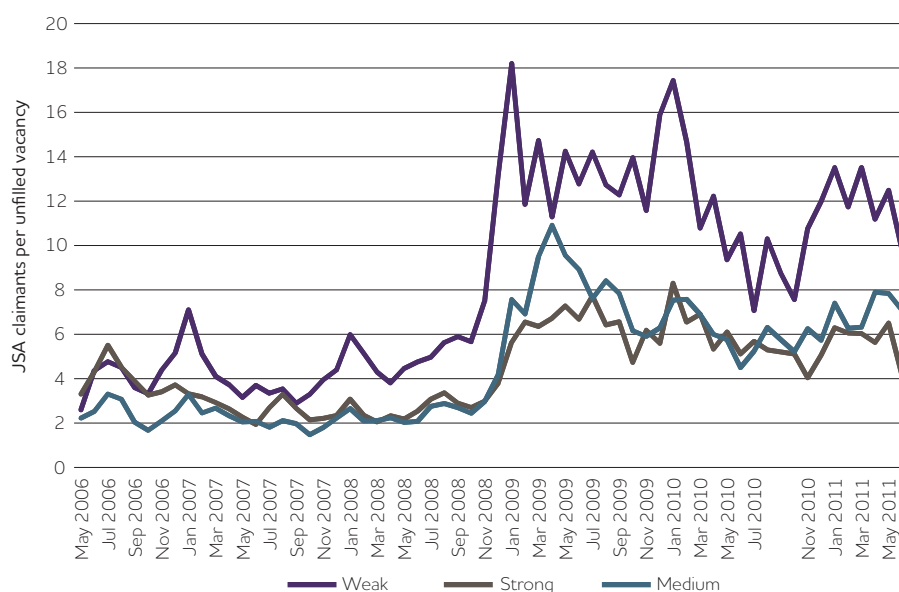
The three local labour markets

Two key questions are the extent to which jobseekers are experiencing different conditions in different parts of the country and whether this is changing over time.

The three local labour markets in this research are all large urban areas, with at least a quarter of a million residents of working age and at least 10,000 people claiming JSA in 2010. For more information about how they were selected, please see Appendix 1. Each is defined by a ‘travel to work area’ (TTWA), including a core urban centre and the area around it that attracts commuters to work in the city. They were selected to represent differences in labour market structure and history as well as current conditions. Thus the ‘weak’ local labour market is traditionally dependent on heavy industry and now has high public sector employment. The ‘medium’ local labour market has, through economic restructuring, developed strong retail, finance and tourism sectors. The ‘strong’ local labour market has a service-based economy, with strong health, education, retail and business support sectors, as well as tourism. In 2010, the weak local labour market had an unemployment rate that put it in the top 5 per cent of TTWAs in England and Wales on this measure; the ‘medium’ was in the top 30 per cent and the ‘strong’ in the lowest 40 percent..

Differences between the areas widened during the recession. As the recession set in, the ‘weak’ and ‘medium’ local labour markets saw similar large absolute increases in JSA claimants, with the ‘strong’ area seeing

Figure 3: The number of JSA claimants for each unfilled JCP vacancy, three local labour markets, all jobs, 2006–11.



Source: Nomis (www.nomisweb.co.uk).

a much smaller increase. However, at the same time, the fall in available vacancies was more pronounced in the ‘weak’ local labour market than the others. These trends, in combination, meant that, by the end of the research period, the most commonly used indicator of competition for vacancies (the JSA–unfilled vacancy ratio) was more than twice as high (at 9.8 to 1) in the weak area as in the strong (at 4.2 to 1) (Figure 3). The medium area was in between, a little above the national average at 7.2 to 1. As we suggest above, this data cannot be treated as accurate measures of the exact number of people looking for every job, but it helps us to see trends and compare areas on the same basis.

Vacancies in different occupations

To explore the extent to which overall labour market conditions were reflected in different occupations, we looked in detail at four low-skilled occupation types in each local labour market. Two were mainly carried out by women (office administration and cleaning), one mainly by men (security guard) and one by people of both genders (retail assistant).

Taking the position of someone looking for each of these occupations, we ‘searched’ for vacancies, retrospectively, using the official live unfilled vacancy

Table 1 – Job search strategies adopted for the local vacancy analysis

Core preference	Gender	‘Narrow’ search	Additional jobs included in ‘typical’ search
Office worker	Female	General office work	Receptionist Sales and retail
Cleaner	Female	Cleaning	Bar staff Kitchen and catering assistants
Security guard	Male	Security work	Labourers in construction trades other than building and woodworking General goods handling and storage
Sales assistant	Male	Sales/retail work	Waiter Customer care occupations

dataset available at Nomis. This data should be the same as that identifiable by jobseekers through www.direct.gov.uk at the time. We started with a narrow focus on vacancies matching the exact occupation and successively broadened out. For example, for a woman (we allocated each of our notional jobseekers a gender in order to constrain their searches in a realistic way, excluding jobs that are dominated by people of the other gender) whose core preference was office work, our 'narrow' search included only office work, our 'typical' search also included two extra job types, receptionist and retail work, and broader searches excluded only jobs that were very dissimilar (for example, outdoor work), or only jobs mainly done by men. Table 1 shows the search strategies that we adopted. More detail is included in Appendix 2.

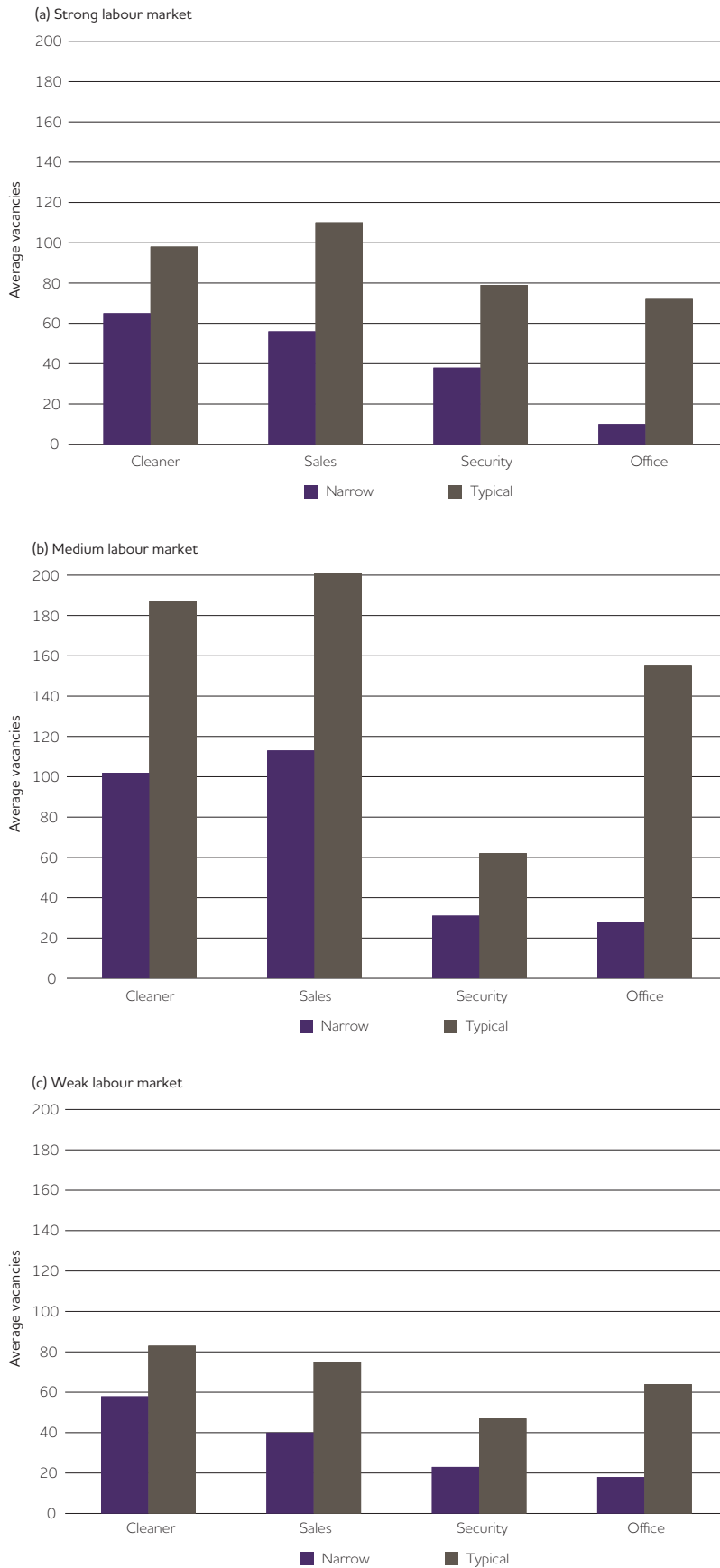
While we have not carried out a comprehensive study of JCP practice, our interview data suggests that the 'narrow' search is what would currently be expected of a job seeker claiming JSA in the first instance. Jobseekers would usually be expected to broaden to the 'typical' search if unsuccessful after 13 weeks, and the 'typical' search was closest to the searches adopted by the young jobseekers we interviewed, who had mostly been searching for several weeks.

The data shown here is averages of the monthly snapshots of live unfilled vacancies, across each TTWA, for each occupation. They represent what a job seeker would see if they looked using only JCP, rather than other sources, and if they did not filter out any vacancies on grounds of location, hours, pay or specific requirements. In the latter sense, they show the upper bound of vacancies available to apply for, if looking by this method. In reality, some of these vacancies would be unsuitable for some jobseekers. On the other hand, additional vacancies might be found if searching by other methods.

The absolute numbers of vacancies available were quite low, particularly for the narrow searches and for some job types and for the strong and weak labour markets (which were smaller than the medium labour market). For example, there were, on average, 18 office admin and 23 security vacancies available in the weak labour market and 10 office admin and 38 security posts available in the strong labour market (Figure 4). As we have seen, in 2010–11, the majority of JCP vacancies were filled within four weeks (Figure 2). Thus these monthly snapshot figures provide an indication of the flow of new vacancies over a month. Thus a job seeker carrying out a narrow search for office admin work and relying on the JCP site would be able to apply for a maximum of ten jobs a month in the weak labour market. In the experiment, we found that job search, selection and application, involving limited tailoring of CVs and covering letter, took a minimum of two hours per job (see Appendix 4). Using this evidence, Figure 4 suggests those in the weak labour market searching and applying intensively (as a full-time 'job in itself') for office work using the JCP site might run out of vacancies just 20 hours (or half a week) into the month. In addition, in practice some of these ten vacancies might not meet individual applicants' preferences or constraints.

Broadening from the 'narrow' to the 'typical' search substantially increased the available vacancies. For example, broadening from 'cleaner' posts alone to cleaners, bar staff, and kitchen and catering assistants increased the average total available at any one time in the 'weak' local labour market from 58 to 83. The minimum number of vacancies for the typical search for any occupation was 47 (for security work and wider occupations in the weak labour market), while the maximum was 201 (for sales work and wider in the strong labour market). Even with broader searches, in the worst cases the most energetic applicants might run out

Figure 4: Unfilled JCP vacancies available at any one time for certain job types, 'narrow' and 'typical' searches, 2010–11.



Source: Nomis (www.nomisweb.co.uk).

of vacancies, even before taking into account their own preferences and constraints. A total of 47 vacancies per month might provide a notional full-time search and application task of nearly 100 hours, or the first two and a half weeks of the month.

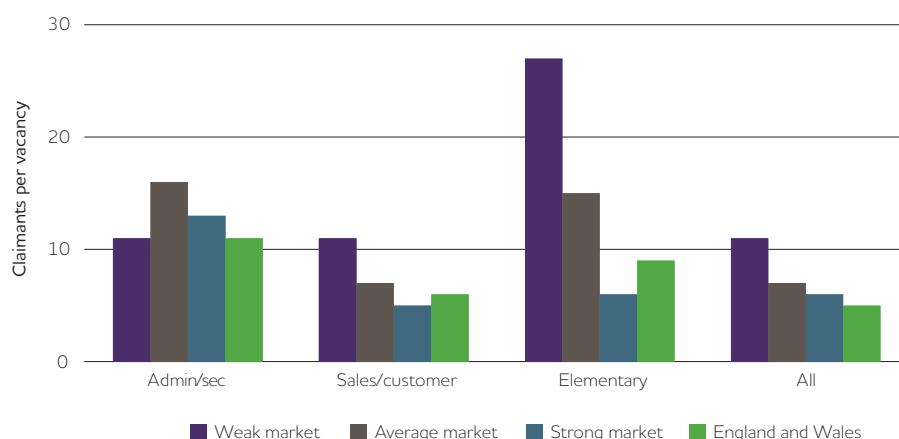
For both the narrow and the typical searches, there were substantially more vacancies in all three local labour markets for cleaning and sales work than there were for office and security work, possibly reflecting a difference in the propensity of employers to report vacancies to JCP, as well as the strengths of different sectors. Using the typical search, for example, a woman looking for cleaning, bar or kitchen work in these labour markets had between a fifth and a third more vacancies to consider than a woman looking for office, reception or sales work. The number of vacancies available and the mix of job types also varied by local labour market, with the largest area in terms of population having markedly more cleaning, office and sales jobs than the others, but fewer security posts (Figure 4).

Competition for vacancies

This data suggests that looking for some kinds of work will generate many more vacancies to apply for than looking for others and that jobseekers would be well advised to broaden their searches early on, as well as having a good understanding of where employers are advertising for different kinds of work. However, the chance of being successful will also depend on the extent of competition.

Figure 5 demonstrates that competition, as measured by the number of JSA claimants looking for particular kinds of work, varies substantially by local labour market and by job. Here we show broad occupational groups, again with the caveat that this data is best used to show comparison between areas, not exact figures on the numbers of vacancies available or people looking for them. Jobseekers in the weak and medium local labour markets faced more competition than the national average in all job categories and the weak local labour market was particularly affected. This was even more marked in elementary occupations, with 27 JSA claimants per unfilled vacancy in the weak area compared with 15 in the medium labour market and just six in the strong. Even taking into account that

Figure 5: JSA claimants per unfilled notified JCP vacancy, by selected major occupational groups, focusing on those requiring limited education and skills, 2010–11.



Source: Nomis (www.nomisweb.co.uk).

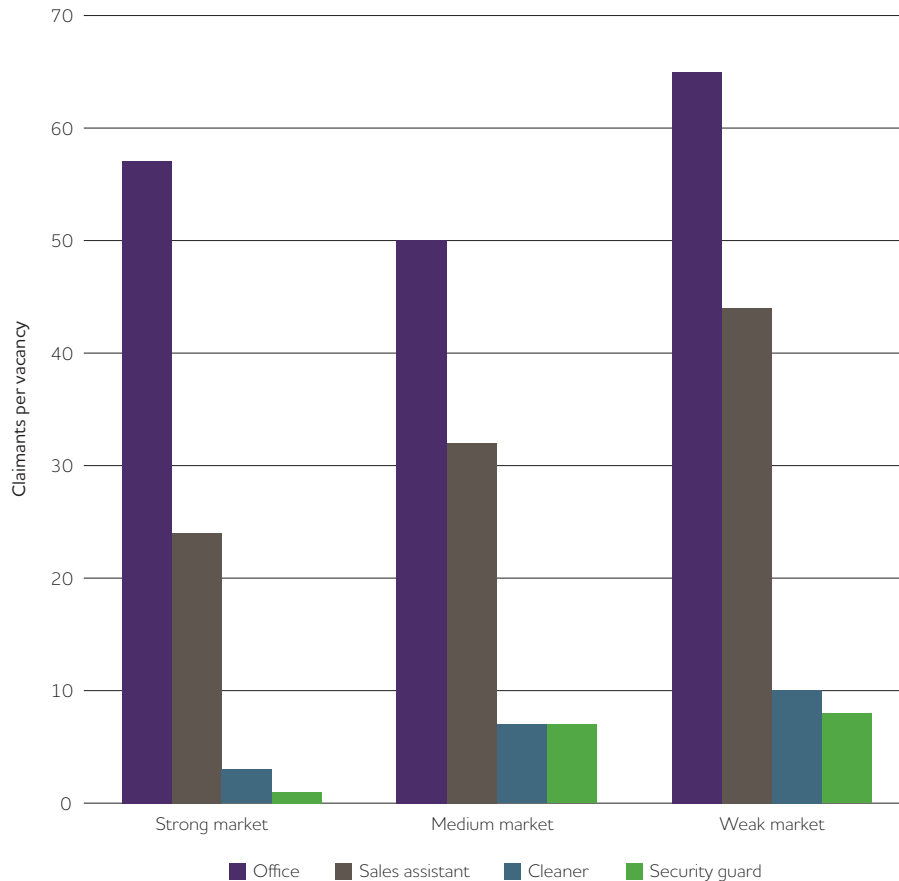
employers in some local labour markets may make more use of JCP than others, it seems clear that unskilled labour markets are much tighter in some places than others, affecting the success that jobseekers can expect to have with the same level of experience and qualifications.

Looking more specifically at particular occupations underscores this variation between weak and stronger labour markets and between jobs. In most of our specific job categories (reported in Chapter 4), competition was highest in the weak local labour market (Figure 6). Competition for cleaning and security work seemed somewhat lower than for all elementary occupations in all local labour markets, perhaps because few jobseekers register specifically for this kind of work, although more may apply for it if it comes up. However, those looking for office work would apparently face extremely high competition, with more than 50 jobseekers per unfilled JCP vacancy in all three local labour markets, including the strong local labour market.

As Figures 6 and 7 show, widening a search even by just two types of occupation can substantially increase the number of vacancies shown. However, it may not always be the wisest strategy, since it might also bring a job seeker into more competitive arenas, where chances of success are lower. To examine this, we looked at the effect on competition, as well as on vacancies, of moving from a 'narrow' to a 'typical' search, for each occupation type in each labour market. In over half the cases, widening the search also reduced competition, but in the remainder the reverse was actually true. For example, someone looking for security work only in the

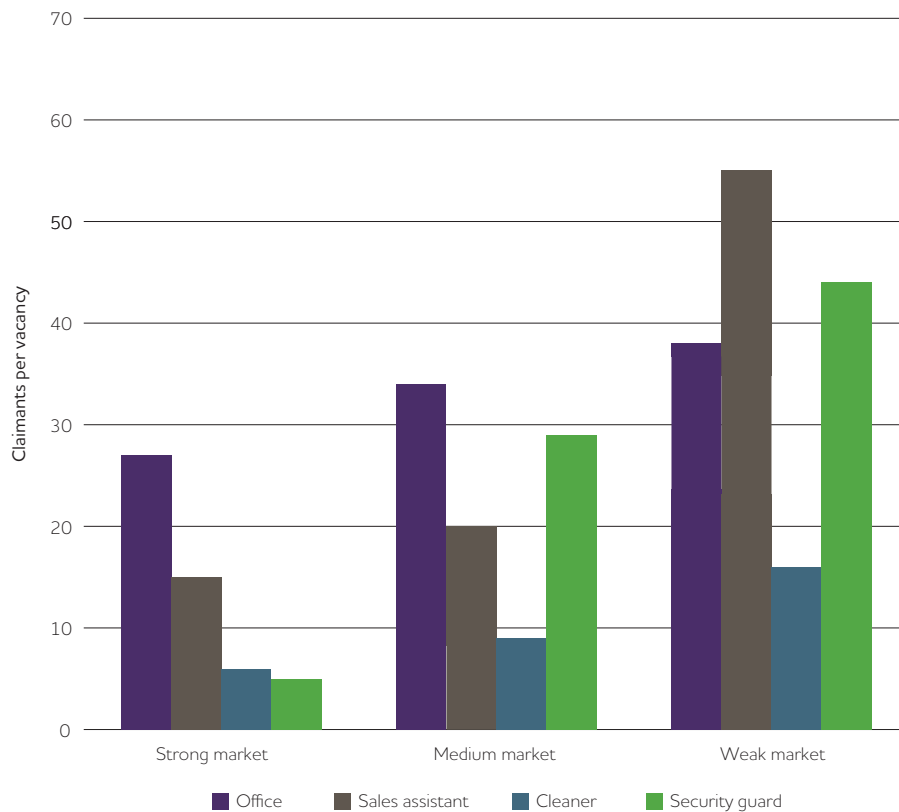
“In over half the cases, widening the search also reduced competition, but in the remainder the reverse was actually true”

Figure 6: JSA claimants per unfilled notified JCP vacancy in four job types, 'narrow search', by labour market, 2010–11.



Source: Nomis (www.nomisweb.co.uk).

Figure 7: Numbers of JSA claimants per notified vacancy in four job types, 'typical' search, by labour market, 2010–11.



Source: Nomis (www.nomisweb.co.uk).

weak local labour market might find 23 vacancies at any one time, with seven other JSA claimants also looking for each one of these. Widening to a broader search for labouring and goods-handling vacancies would bring a further 25 vacancies (a total of 48), but with 42 other JSA claimants looking for every vacancy of this type.

In practice, actual competition for real vacancies depends on the nature of the vacancies and the behaviour of jobseekers. Further research would be needed to examine optimal search strategies in different local labour markets. For the moment, this data merely challenges the assumption that wider searches will inevitably increase chances of success. A focused, rather than 'scattergun', approach could be more fruitful in some circumstances.

The importance of geography

All the data shown to date includes vacancies across the entire TTWA in each case. Journeys to work from one side of a city to another, and beyond, might not seem unreasonable compared with not working at all, and indeed, from 2011, the maximum time that JSA claimants could be required to travel was increased by the government from 60 minutes to 90 minutes (Freud, 2011), which would extend beyond the boundaries of TTWAs in all cases.

However, in reality, most people travel much less far to work, especially if their jobs are for few hours or for low pay. Official data shows that in 2009, outside London, 79 per cent of workers travelled 30 minutes or less to work. People in the lowest-paid fifth travelled on average 10 km, while people in the highest-income group travelled twice as far, 20 km (Department for

Transport, 2011). The figures were similar for people aged 16–24 in the neighbourhoods considered in this study, according to the 2001 Census. As Chapter 2 shows, many employers actively prefer local employees and would screen out applications from people further afield at an early stage.

We therefore looked at the number of vacancies accessible within more limited areas than the entire TTWAs, imagining that our notional jobseekers were located in one of the more deprived, ‘poor reputation’ neighbourhoods in each labour market. These neighbourhoods were used as home addresses for some of the candidates in the job-seeking experiment (see Chapter 4) and some of the young people interviewed lived in these neighbourhoods. We identified a postcode at the core of the neighbourhood and mapped areas defined by a 10 km radius (an easy car commute) and by a 30-minute walking or public transport travel time (a typical journey to work and easy public transport commute) from this postcode, in order to identify the proportion of vacancies accessible to jobseekers making these more typical journeys. All vacancies within 30 minutes were also within 10 km, i.e. this was a smaller travel zone in each local labour market. We did not attempt an analysis of competition for vacancies within these smaller areas, since this would require locating ‘competitors’ and mapping their overlapping travel-to-work zones, a task beyond the scope of this research.

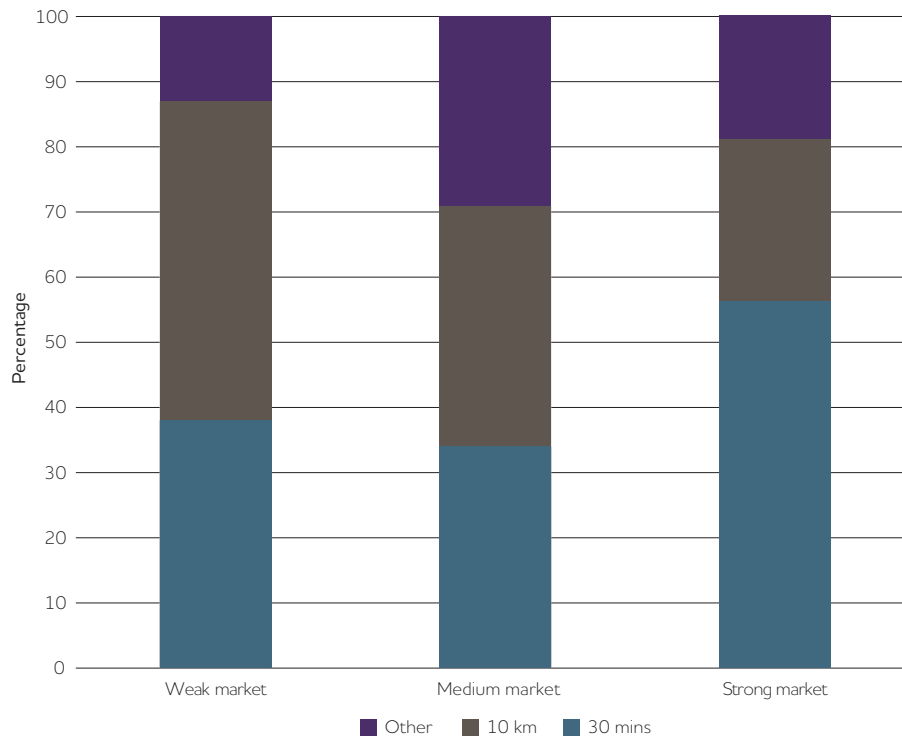
This analysis demonstrated the importance of local geography. Natural features (hills, the sea etc.) determine settlement patterns and travel-to-work possibilities; for example, in two of the labour markets it was possible to travel 30 minutes on land in only three directions. Unsurprisingly also, job opportunities were highly clustered, with concentrations in city centres, subsidiary town centres, and peripheral retail and industrial parks. Thus the extent of the ‘spatial mismatch’ between jobseekers and job opportunities, which is much debated in general terms in the academic literature (Holzer, 1991; Fieldhouse, 1999; Houston, 2005), will be highly dependent on the specific location of housing settlement and employment clusters, and on transport links, in local areas. Data at TTWA level (or standardised travel distances) can only be used as a rough guide for considering employment opportunities within labour markets.

In all three local labour markets, between 70 and 90 per cent of the unfilled vacancies in the low-skilled occupations we considered were within a 10 km radius of our notional jobseekers. In other words, someone with a car could easily get to most of the jobs. Having to travel by public transport would significantly reduce the vacancies that could be easily reached. Between 35 and 55 per cent could be reached within 30 minutes by public transport (Figure 8). Different kinds of job have differing spatial distributions and the geography of vacancies varies month by month as employers in different locations start or stop recruiting. In these local labour markets, sales jobs tended to be slightly more centralised and accessible to the ‘poor reputation’ neighbourhoods than other types of work (Figure 9).

Postcode discrimination?

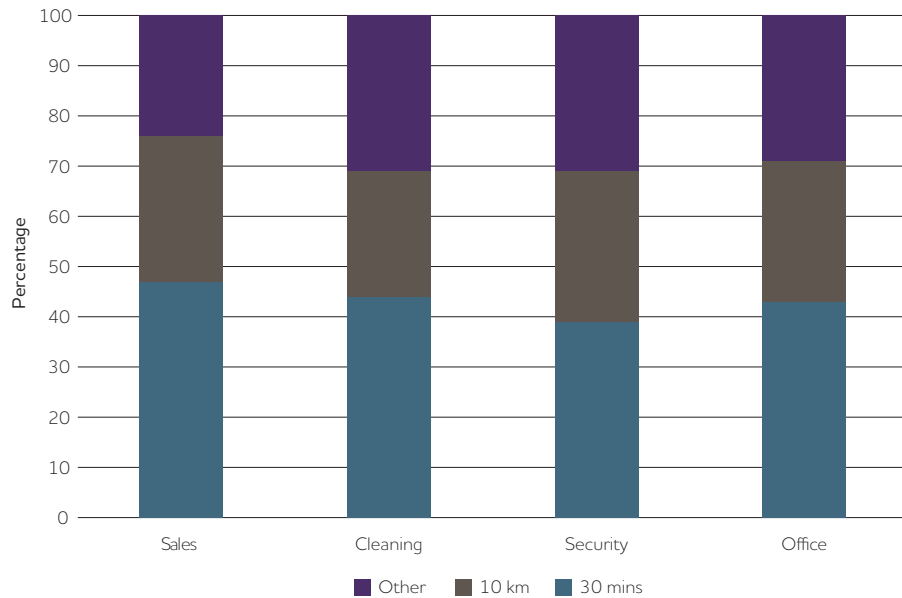
Other research has suggested that physical access to jobs may not be the only issue (over and above individual skills and qualifications) constraining employment among residents of poorer neighbourhoods. Numerous studies have recorded residents of neighbourhoods with poor reputations who believe that they are discriminated against by employers on the grounds of where they live. Allegations of ‘postcode discrimination’ from job applicants (and others) are evident in studies in the UK (for example, Lawless and Smith,

Figure 8: Percentage of unfilled notified vacancies in four job types across the whole Travel-to-Work Area accessible from a deprived 'poor reputation' neighbourhood, by labour market, 'typical' searches, 2010–11.



Source: Nomis (www.nomisweb.co.uk).

Figure 9: Percentage of unfilled notified vacancies in four job types across the whole Travel-to-Work Area accessible from a deprived, 'poor reputation' neighbourhood, by job type, 'typical' searches, 2010–11.



Source: Nomis (www.nomisweb.co.uk).

1998; Social Exclusion Unit, 1998; Taylor, 1998; Fieldhouse, 1999; Dean and Hastings, 2000; Mellor, 2002; Hastings and Dean, 2003; Dewson, 2005; Sanderson, 2006; Green and White, 2007; Fletcher, 2007) and beyond (for

example, in France [Waquant, 1993; Recchia, 2008], in Australia [Atkinson and Jacobs, 2008] and in the USA [Tilly *et al.*, 2001]). For example, in a study of young unemployed people in Newham, London, Roberts (1999) found that almost a third of young people from the most deprived parts of the borough thought that employers were put off by the area in which they lived. In the evaluation of the twelve Working Neighbourhood Pilots covering areas of high unemployment and inactivity, just over one in ten residents thought that ‘employers don’t want to employ local people’ (Dewson *et al.*, 2007). Interviewees said:

‘Employers tar everyone with the same brush. It’s just not fair ... the area definitely goes against you’, and ‘if you put [this area] as your address on your application that puts employers off’.
– Dewson *et al.* (2007: 32)

We tested these sentiments among jobseekers, employers and intermediaries in our three labour markets, through the interviews we conducted and also took soundings by a short survey of members of the public in each area.

Interestingly, in contrast to previous research, none of the young people we interviewed thought that employers would discriminate on address grounds. Two young men from poor reputation neighbourhoods in the weak local labour market said that, if there was any danger of this, addresses could be left off or altered – another consequence of the new dominance of the internet and email in job application and employer response: ‘you can say you’re from anywhere’.

However, their view was not shared more broadly by members of the public, who were asked more generally to comment on the reputations of the case study neighbourhoods and people’s likely responses to them. This indicative survey had a small sample, so results (shown in Table 2) have large confidence intervals. However, taken alongside the verbatim responses, they appear to indicate some clear patterns. The majority of those sampled thought that the ‘general’ view of people was that residents, or at least some of the residents, from areas with poor reputations had characteristics which would be unambiguously undesirable in potential employees; for example, being ‘rough’, having ‘trouble’, being ‘raucous’, having a ‘bad attitude’ or having ‘social problems’. A minority referred to ‘bad’, ‘anti-social’ or ‘criminal’ behaviour in particular. Others referred to characteristics that many employers might find undesirable in potential employees, such as ‘poor education’ or ‘welfare dependency’. A minority of those qualified these

Table 2 – How likely members of the public thought it would be that local employers would look less favourably on people from local neighbourhoods with poor reputations (%)

	Strong local labour market	Medium local labour market	Weak local labour market	All
Very/fairly likely	53	50	53	53
Neither likely nor unlikely	25	20	23	23
Fairly/very unlikely	15	20	23	20
Don’t know	8	10	2	5
<i>N (all who rated area later selected as ‘poor reputation’ case study as undesirable to live)</i>	28	10	43	81

Source: Street interviews in three local labour markets, 2010.

negative statements, for example saying that there were ‘a few bad apples’ or ‘some nice families’ living in the areas, despite their poor reputations.

In each of the three local labour market areas, a majority of those interviewed who thought that the case study neighbourhoods were undesirable places to live said they thought it was ‘very/fairly likely’ that local employers would look less favourably on people from those areas. Only a minority thought that it was ‘very/fairly unlikely’ that employers would look unfavourably on applicants from areas with poor reputations, whereas around a quarter thought that it was ‘neither likely or unlikely’ that employers would look less favourably on potential employees from poor reputation areas on the basis of where they lived (Table 2).

This ‘general public’ view gained some support among labour market intermediaries. One intermediary in the medium local labour market reported that clients had thought that employers might be prejudiced against people from certain neighbourhoods: ‘there have been instances where people have said: “Because of where I live, I won’t get a job. They won’t trust me.”’ Another, from the weak local labour market, said, ‘we used to take address off applications ... We worked in deprived wards – so we remove address to remove a stigma’, while in the strong local labour market another said, ‘employers would say no to the idea that they discriminate on area – but privately the answer is “yes”’. He added, ‘it’s not necessarily about prejudice, but the majority of people have barriers to entry’.

Was this the case? When we asked employers whether neighbourhood of residence was a factor in selection, many did say neighbourhood was important because of the issue of travel to work and getting to the workplace reliably, but not for other reasons. All were aware of certain neighbourhoods with poor reputations. When probed, most said they looked equally on all applications, supporting the intermediary’s idea that employers would say ‘no’ to postcode discrimination. One private sector employer from the strong local labour market explicitly showed awareness of the potential for discrimination, but claimed that he would not apply it in practice:

I am not going to be that prejudiced on areas ... So you get ‘em in, and see what they’re like ... Anyone in [local labour market], as long as they can get here and won’t be late and get home and be safe, everyone would get the chance.

However, other answers suggested that some employers would give people from poor reputation neighbourhoods a chance, with reservations, perhaps identifying ‘barriers to entry’ rather than screening people out per se. One of the employers interviewed in the ‘medium’ labour market admitted to ‘thinking twice’ about applicants from some neighbourhoods:

There are areas where you sort of think, hmm, you know, not too sure about that ... where you have a large number of unemployed people, where you have council accommodation.

“A majority of members of the public thought it ‘very/fairly likely’ that local employers would look less favourably on people from less desirable areas”

Summary

Although it is difficult to be precise about the exact numbers of vacancies a jobseeker can expect to find, and the competition they will face, official vacancy and JSA data provide some indications. The data shows substantial variation between occupation types and local labour markets, suggesting the importance of local intelligence about opportunities. It seems likely

that, even in the tough conditions of 2010–11, energetic jobseekers could expect to find vacancies to apply for, although the number of vacancies apparently available within an entire labour market can be reduced by about half or more for people who need to rely on public transport. Public opinion seems to suggest that geography is important because employers engage in ‘postcode discrimination’ against those from neighbourhoods with poor reputations, although neither the young people nor the employers we interviewed generally shared this view. We put this to the test in Chapter 4.

4 THE EXPERIENCES OF DISADVANTAGED YOUNG JOBSEEKERS IN TOUGH CONDITIONS

This evidence shows no ‘postcode discrimination’, at least for well-qualified candidates and at the first stage of the selection process.

The job-seeking experiment

Quantitative evidence on employers’ responses to applications is unusual. The experiment, in which 2,001 applications were made for seven types of jobs across three local labour markets in 2010–11, constitutes a rich source of evidence about the ways in which employers responded to applications in a period of high competition. In this chapter we briefly describe the experimental method used and report the results: how fictional candidates experienced job seeking in three local labour markets in 2010–11.

The candidates

The fictional candidates were intended to be relatively strong candidates for jobs that nominally required limited education and skills. The aim was to limit the number of cases in which none of our three applicants was successful, which would hinder our investigation of variation in results between candidates, and to provide a clear contrast and limiting case for more disadvantaged young jobseekers.

Employers had indicated that qualifications were generally not crucial to selection (Chapter 3). Nonetheless, 44 per cent of the experiment applicants had five to ten GCSEs. These included applicants to security, kitchen hand

and cleaner posts. Thirty-four per cent of applicants had five to nine GCSEs and a vocational qualification relevant to the post they were applying for. These were mainly applicants for accounts clerk, office admin and chef jobs. Twenty per cent of the total applicants (mainly applicants for accounts clerk and office admin jobs) had six to ten GCSEs and two or three A levels. In addition, all of the applicants had continual work and relevant records since they had completed education and some were given Saturday job experience before this. Thus, although they were aged 22–4, they had between four and nine years' work experience. All were given clean driving licences and cars for jobs with unsocial hours. None disclosed criminal records or any indication of caring responsibilities. Their CVs and covering letters were well written and laid out (see Appendix 4 for further details).

Thus the fictional candidates had qualifications that would have been approximately in the top quarter of their peer group in their local labour markets and which met or exceeded employers' other selection requirements as signalled in Chapter 3. They had much more than minimal relevant experience, they should not have been affected by concerns about travel to work and they signalled necessary soft skills.

The jobs applied for

We searched for jobs in our seven types using www.direct.gov.uk and other key websites including www.gumtree.com. We excluded those that appeared to demand substantial education, skills or experience and those that did not fit the nature of the experiment: for which applications could be made only face to face or over the phone and where the application had to be sent to a regional or national office and it appeared that at least part of the decision was made outside the local labour market. We did not exclude any on grounds of criteria that many real jobseekers might have to or want to apply: location within the labour market and accessibility, total hours available, days and hours of work and pay.

As part of the experiment, we stored details of adverts for 739 jobs in the three local labour markets and applied to the 667 which fitted our criteria and in which the closing date had not passed (see Appendix 4 for more details). Box 1 gives an impression of the individual jobs applied to.

Box 1: Selected job titles of jobs applied to in the experiment

- Office trainee, receptionist, secretary, clerical assistant, administrator, office clerk, business administrator, data entry assistant
- Sales assistant, shop floor sales, shop supervisor, legal cashier, estate agent assistant, delivery/sales assistant
- Grill chef, chef, commis chef, trainee chef, chef de partie, pizza chef, cook, breakfast chef
- Kitchen hand, kitchen porter, catering assistant, food prep assistant, pot washer, fish fryer
- Cleaner, cleaner driver, oven cleaning assistant, housekeeper, room attendant
- Book keeper, accounts producer, accounts assistant, accounts administrator, sales controller
- Security operative, security officer

Analysis of the vacancies found indicates the extent to which low-paid and part-time work dominate job markets in these kinds of occupations.

In 2011 the 'living wage' for the UK outside London was £7.20 an hour (Hirsch and Moore, 2011). The national minimum wage, which applies to those aged 21 and older, was £5.93 an hour. Seventy-eight per cent of the jobs with wage data available paid under £7 per hour and so under the 'living wage'. Fifty-four per cent paid at the minimum wage level. Minimum-wage pay was found across all of our job categories and all our local labour markets. However, it was most common for kitchen hand, sales and cleaning jobs and also for office assistant jobs. Only a handful of the jobs stated pay close to, or at the level of national median pay rate. None stated above average pay. We encountered four employers offering pay below the standard national minimum wage.

Altogether 76 per cent of jobs we applied to did not offer a traditional full-time, '9am–5pm' work schedule (we included other seven-, eight- or nine-hour days that started 8–10am in this group). A large proportion were part-time, including office admin and accounts posts. Others offered full-time hours but included early morning work (especially for cleaning) or evening or night work (especially for kitchen hand, chef and security jobs). This largely reflects the supply of jobs available through www.direct.gov.uk in the three local labour markets. Part-time or shift work might suit some applicants, but prove a constraint to others seeking full-time wages or more social hours.

Relatively unattractive pay, conditions and security reduce the marginal benefit of getting a job.

Results of the experiment

Overall response rates

The experiment suggests that well-qualified candidates will achieve first-stage positive responses from employers with relatively high frequency (about one in five times, although these will not all lead to jobs). However, at the same time, a very high proportion of applications, even from such candidates, receive no response at all.

Seventeen per cent of the 2,001 applications received one of a range of first-stage positive responses. This share of positive responses is higher than that achieved in another recent experimental study (Wood *et al.*, 2009). This may reflect differences in the mix of jobs applied for, the local labour markets studied or the quality of experimental applications relative to that of real candidates.

Sixty-nine per cent of applications received no response at all from the employer.

Three applicants were offered a post right away. However, most first-stage positive responses did not lead directly or with any certainty to job offers. Thirteen per cent of applicants were invited to meet employers. Two per cent of applicants were asked for further information; for example what days and hours they might be able to work. Our contacts with employers in the experiment and in interviews suggested that first-stage positive responses divided into two kinds. For office admin, accounts clerk, sales and chef posts, a positive response appeared to imply an invitation to a planned, formal interview at which the candidates would be assessed against formal criteria and competing applicants. For kitchen hand and cleaner posts, a positive response appeared to imply an informal meeting arranged at short notice which would be very likely to lead to a job trial or a job offer, in both cases with a further stage of on-the-job assessment before the applicant became settled.

Thus, fewer than one in five of the experimental candidates got through the first round of selection for jobs that required limited skills and experience and that generally paid close to the minimum wage. Young people with fewer labour market advantages would be likely to experience lower, possibly much lower, first-stage positive response rates when applying for the same sorts of jobs.

Thirteen per cent of applications received one of a range of negative responses (as opposed to no feedback), with the most common being an acknowledgement but no further correspondence (4 per cent of all applications) and an outright decline (4 per cent of all applications). Two per cent of applications were declined, but employers stated that the applicant details were 'put on file'. Only one of these applicants was contacted again by employers during the course of the experiment, so this response appears to operate more as a courtesy than as offering any real chance of future employment. One per cent of all applications were declined, with employers indicating that the post had already been filled, although in some of these cases applications were made on the same day that the vacancy advert first appeared. In 1 per cent of cases the electronic mailing of the applications failed, despite checking and resending, suggesting that incorrect addresses had been supplied.

Variation in positive response rates between local labour markets

Chapter 3 demonstrated how job supply and competition varied between local labour markets. Jobseekers in the weak labour market faced higher competition than those in the weak and medium labour markets for almost all jobs and both 'narrow' and 'typical' searches. In many cases, competition was more than twice as high.

The experiment suggests that differences in job supply and competition feed through to differences in the chances of positive response to individual applications. People with identical education, skills and experience applying for similar jobs stand a different chance of first-stage positive responses in different local labour markets. In the experiment, applicants in the weak local labour market needed to make nearly twice as many applications to generate the same number of first-stage positive responses as those with identical qualifications and experience who were living in the strong local labour market (Figure 10).

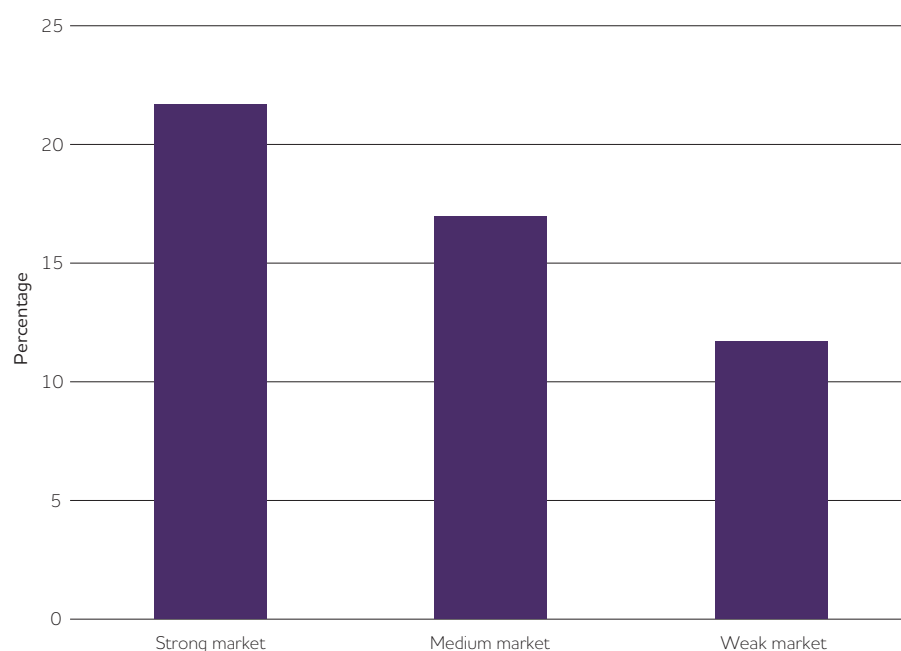
There were some differences in the mix of jobs applied for between the areas (and some differences in the exact nature of jobs within each type and in the education and skills of the fictional applicants), but this was not large enough to explain the difference in response rates.

The differences found in response rates between areas were not due to differences in the calibre of our candidates relative to the general pool between local labour markets. In fact the reverse was true. Our fictional candidates had the same qualifications in all local labour markets. However, because educational achievement tended to be lower in the weak than the medium and strong local labour markets, these qualifications placed them higher up the ranking of the relevant cohorts in the weak local labour market.

Many people do not want to move home to secure work and many cannot do so because of family commitments or other local ties. Few people would be likely to move home to secure a part-time job and a large proportion for the jobs in the experiment were of this type. However, the experiment demonstrates systematic geographical disadvantage and differences in opportunities between areas.

“People with identical education, skills and experience applying for similar jobs stand a different chance of first-stage positive responses in different local labour markets”

Figure 10: Percentage of experiment applications receiving first-stage positive response, by labour market, 2011.



Source: experiment.

Variation in positive response rates between job types

Chapter 2 demonstrated how job supply and competition varied between job types. Jobseekers for office admin and sales roles, in particular, faced higher competition.

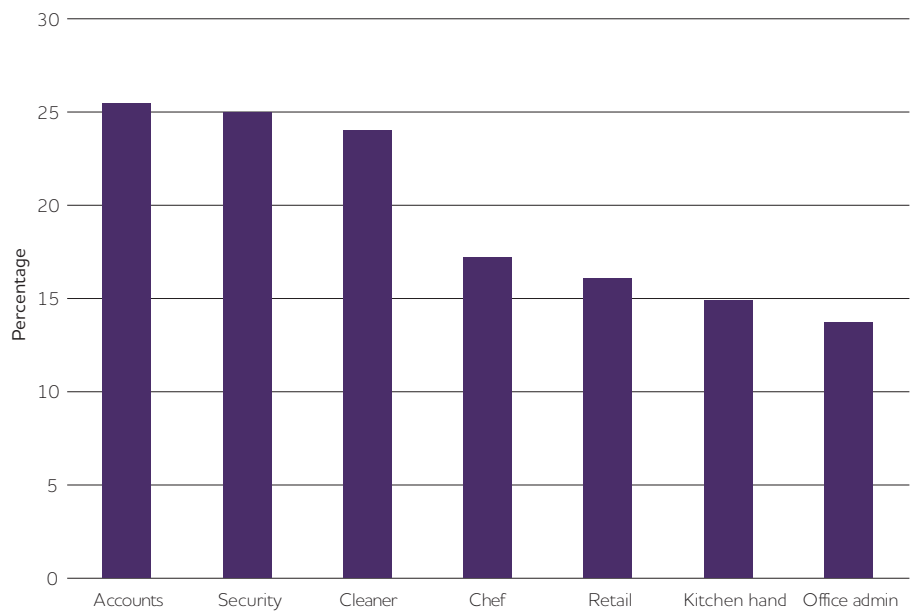
The experiment suggests that differences in competition feed through to differences in the chances of positive response to applications. In the experiment, applicants for office admin posts needed to make nearly twice as many applications to generate the same number of first-stage positive responses as those with similar qualifications and experience applying for accounts jobs. Retail and kitchen hand applicants needed to make markedly more applications to generate positive responses than those applying for cleaner and security positions, although the qualifications the candidates had were similar (Figure 11).

Part of the differences found in response rates between job types may have been due to differences between job types in the calibre of our candidates relative to the general pool of other applicants. However, we attempted to limit this through the use of local advisors who provided guidance and feedback on the applications. In fact, the pattern broadly reflects the variation in competition levels between jobs reported in Chapter 2.

Variation in positive response rates by speed of application

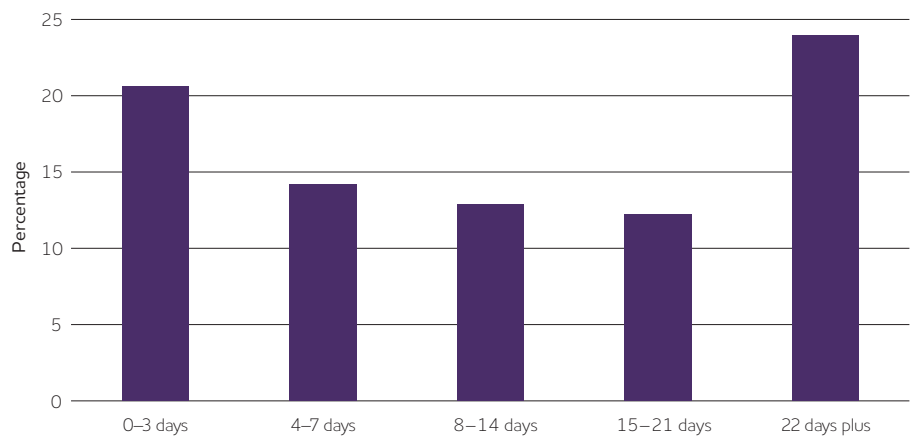
The experiment also shows that the whole selection process, from placing adverts to making decisions, was often very fast. Seventeen per cent of the applications in the experiment that gained responses from employers received them on the very same day the application was sent. Thirty-one per cent received them on the same day or the next day and 67 per cent received a reply within one week. The chances of receiving a positive response varied markedly by the time elapsed between advert being placed and application being sent, suggesting many employers started selection as

Figure 11: Percentage of experiment applications receiving first-stage positive response, by job type, 2011.



Source: experiment.

Figure 12: Percentage of experiment applications receiving first-stage positive response, by days elapsed between advert being placed and application sent, 2011. Note: The vast majority of applications were sent within seven days. Only a very small minority were sent after 22 days.



Source: experiment.

soon as first applications were received. Therefore, some applications arriving a matter of days after adverts were posted may be too late to be considered. Twenty-one per cent of applications sent within three days of adverts being posted received a positive response, compared with 13 per cent sent after one week (Figure 12).

The vast majority of responses received from employers in the experiment were by email rather than by phone. Use of email by employers to respond to applications contributed to the speed of interaction between applicants and employer, and may have contributed to faster selection processes.

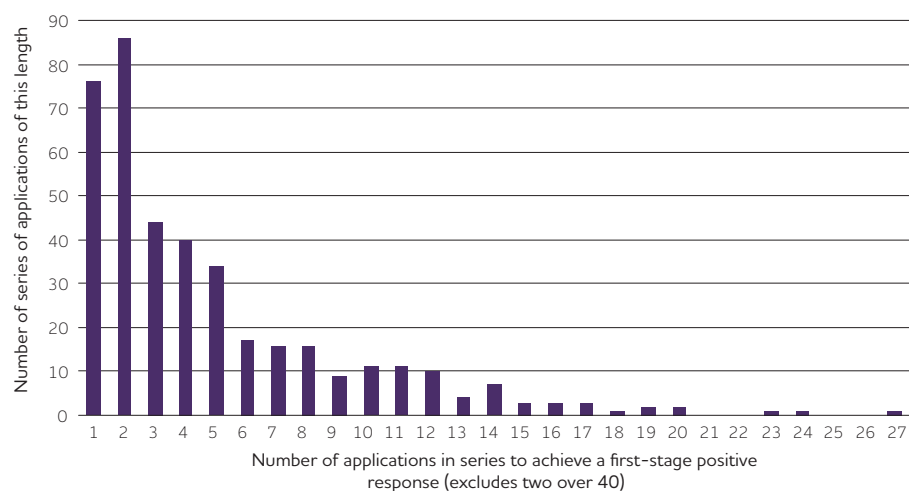
It is also notable that data from www.direct.gov.uk indicates rapid

turnarounds. For example, in May 2011, 35 per cent of sales and retail vacancies notified and shown on the site were removed within one week, as were 37 per cent of cleaner and domestics posts, 33 per cent of kitchen and caring assistants (including chef and kitchen hand posts) and 30 per cent of office assistants (including office admin and accounts clerks).

The results of a sequence of applications

A 17 per cent positive response rate suggests that on average six applications may be needed to generate a first-stage positive response. In the strong labour market, five applications might be needed, in the medium labour market six applications, and in the weak labour market eight applications. We should bear in mind that searching, and applying, for each job might take several hours. In addition, depending on search criteria and candidates' preferences and constraints, and the potential for a sluggish and variable flow of vacancies onto the market, there may not be enough vacancies available to sustain the most energetic search at all times. More information on the job search and application task is given in Appendix 4. In addition, we do not know what proportion of first-stage positive responses, such as requests for further information or invitations to interview, might lead on to a job offer. The experiment also allows us to examine the success rates of individual

Figure 13: Actual number of applications, made in series by individual experimental candidates, required to generate a first-stage positive response from employers (all labour markets and jobs combined).



Source: experiment.

Table 3 – Actual number of applications, made in series, required to generate a first-stage positive response from employers, by labour market

	Best 10 per cent experiences	Best 25 per cent experiences	Median experience	Worst 25 per cent experiences	Worst 10 per cent experiences
All	1	2	3	7	11
Strong labour market	1	2	2	5	11
Medium labour market	1	1	4	8	12
Weak labour market	1	2	4	7	11

Source: experiment.

Table 4 – Actual number of applications, made in series, required to generate a first-stage positive response from employers, by job type

	Best 10 per cent experiences	Best 25 per cent experiences	Median experience	Worst 25 per cent experiences	Worst 10 per cent experiences
Security	1	2	2	3	5
Cleaner	1	2	2	5	8
All	1	2	3	7	11
Accounts	1	2	3	5	8
Office	1	1	3	4	15
Chef	2	2	4	7	11
Sales	2	2	4	7	13
Kitchen hand	1	2	5	9	11

Source: experiment.

fictional candidates, as well as looking at every application overall. In other words, we can follow the same fictional candidates as they apply for jobs within one ‘narrow’ job search in a single local labour market. Figure 13 shows the number of applications each candidate made before receiving a first-stage positive response.

Tables 3 and 4 show the range of experiences in applications for different local labour market areas and different jobs included in the experiment. Overall, the median applicant took three applications to secure a positive first-stage response. In the strong local labour market the median was earlier than in the medium and weak local labour markets (Table 3). Office job applications had the widest range of experiences and some of the worst experiences in serial application (Table 4). We must remember that a positive response, including a request for further information or an invitation to interview, might not have led to a job offer. Some of the experimental candidates had very good experiences, with a positive response on the first application.

However, as we have seen, a first-stage positive response implied different things for different types of work. For office and sales jobs, a first-stage positive response would be likely to lead to a formal interview against several competitors, meaning several first-stage positive responses might be needed to generate a job offer. For cleaners and kitchen hands, a first-stage positive response would be likely to lead rapidly to a job trial or job offer.

Some of the applicants in the experiment had much worse experiences than the median, despite having the same qualifications and experience. Selected examples of applicants’ ‘worst experiences’ in the experiment are presented in Box 2.

“A first-stage positive response implied different things for different types of work”

Box 2: Selected example of experiment applicants’ ‘worst experiences’ over a series of applications in the experiment

The office admin candidates were 22- to 24-year-old women. They had at least five GCSEs at grade C and above and either A levels or a relevant post-16 vocational qualification. Starting with Saturday jobs while at school, they had five to nine years of work experience, depending on age and when they completed education. Their past jobs were mostly in office settings, with some retail work. They had no breaks in employment, no criminal records and no stated caring responsibilities. They were seeking posts similar to those they had held in the past, and that, where stated, offered pay between minimum wage of £5.93 an hour and £10 an hour (or £10,000–£20,000 per year).

In March 2011, one of the office admin candidates in the strong local labour market made 16 applications in a row. She received two declines and three acknowledgements. She heard nothing from the remaining eleven potential employers, before getting a first-stage positive response on the seventeenth attempt.

In March and April 2011, one of the office admin candidates in the medium local labour market made 28 applications, receiving one acknowledgement and four declines before being asked to attend an interview on the twenty-ninth attempt.

In June 2011, another of the office admin candidates in the same area applied for 18 positions and received two acknowledgements, before getting a first-stage positive response on the nineteenth attempt.

From January to May 2011, one of the office admin candidates in the weak local labour market made 50 applications without getting a call to interview. She received acknowledgements from three potential employers and four messages saying that she had not been successful, but did not hear anything from the remaining 43 employers. She finally got a first-stage positive response on the fifty-first attempt.

These experiences were not typical of the experiences of the candidates in the experiment. However, they provide supporting evidence for the anecdotal evidence of such prolonged searches, generally with no response, sometimes reported in the media. They demonstrate that relatively well-qualified applicants are not protected from protracted and potentially frustrating job search experiences. They imply that such experiences are likely to be more prevalent and/or more prolonged for less promising candidates, although it is difficult to say how much so. They also imply that jobseekers who make applications in series rather than parallel, or apply at a relatively low rate, may experience extended periods of job search and unemployment.

Is there evidence of 'postcode discrimination'?

The principal goal of the experiment was to investigate the issue of postcode discrimination. All other things being equal, would well-qualified and experienced applicants fare differently if they came from neighbourhoods with different reputations?

Here we investigate a subset of applications, in which a single employer showed a preference for one or more of our three candidates over one or more of the others, in a situation where they were in direct competition with each other for exactly the same job.

In 475 of the 667 jobs we applied for, 71 per cent, none of our three candidates received a first-stage positive response. In the remaining 192, 29 per cent of all jobs, employers gave a positive response to one, two or three of our candidates for the same post. These are the cases used to explore employer preferences and discrimination, following the work by Bovenkerk (1992) and Wood *et al.* (2009).

In accordance with the experimental methodology deployed, in each of the 192 sets of applications with at least one first-stage positive response, one of the applications was from a candidate living in a bland reputation neighbourhood. Of these, 120 applications, or 62.5 per cent, received a first-stage positive response. The other two applications in each of the 192 sets were from candidates living in poor reputation neighbourhoods, totalling

384 applications. Of these, 230, or 59.9, per cent of applications received a positive response. The 2.6-point difference between the success rates for the two neighbourhood types provides a measure of aggregate net 'postcode discrimination'. However, the net discrimination was small, compared with gaps between other categories, and it was *not* statistically significant.

In each of the three local labour markets, there was a difference between the positive response rates for the two neighbourhood types, with applications from the bland reputation neighbourhood having a slightly higher positive response rate in each case. The level of net preference found was highest in the medium local labour market, at 4.5 per cent, but in no area was it statistically significant.

We examined subsets of the results for evidence of 'postcode discrimination' in any particular job or employer type. In some cases there was evidence of a small level of net preference, but no cases was the difference in positive responses between those from neighbourhoods with different reputations statistically significant.

Thus this evidence shows no 'postcode discrimination', at least for well-qualified candidates and at the first stage of the selection process. It remains possible that postcode discrimination could be an issue for well-qualified candidates at interview or subsequent stages in the selection process, for more typical weaker candidates or for vacancies advertised in different ways.

This suggests that well-qualified candidates should not fear postcode discrimination, at least up until the interview stage of the recruitment process. It seems likely that differences in employment rates between neighbourhoods within local labour markets are entirely, or almost entirely, due to concentrations of residents facing multiple disadvantages in the labour market (i.e. compositional effects), to the overt preference amongst many recruiters for low-skilled jobs for employees from neighbourhoods with easy access to work and potentially to applicants' own travel constraints and not due to 'postcode discrimination'.

Summary

There are jobs to apply for in different locations throughout England and Wales, but for some jobs requiring limited education and skills, many of the jobs available have wage levels at, or slightly above, national minimum wage or involve unsociable or variable hours. These jobs may be unattractive to some applicants in some circumstances. The experiment showed that candidates who were relatively promising, in terms of their previous experience and qualifications for the jobs they applied for, could expect to receive first-stage positive responses about one in five times, but for seven out of ten applications they can expect to get no response from the employer. For some applicants, experiences are worse than these aggregate figures imply. These figures are for those applying quickly after a vacancy has been posted; those who delay are likely to have lower positive response rates.

There was no statistically significant difference in employer preferences for candidates from neighbourhoods with different reputations. Thus, this evidence shows no 'postcode discrimination' (employer preference against applicants from neighbourhoods with poor reputations), at least for well-qualified candidates and at the first stage of the selection process. It remains possible that postcode discrimination could be an issue for well-qualified candidates at interview or subsequent stages in the selection process, for more typical weaker candidates or for vacancies advertised in different ways. Insights into the attitudes and experience of such weaker candidates form the focus of Chapter 5.

5 THE EXPERIENCE OF WEAK CANDIDATES IN A TOUGH LABOUR MARKET

Weak candidates in a tough labour market faced a harsher reality than the more promising candidates included in the experiment.

Introduction

Many real jobseekers do not have the advantages of the fictional jobseekers created for this experiment in terms of uninterrupted work experience, qualifications and soft skills to offer employers. This chapter provides insight into the experience of young people in the three local labour market areas who were much less well placed than the experimental candidates, by drawing on material collected from 57 young people (see Appendix 3) through five focus groups and 30 in-depth interviews. Focus group participants and interviewees were recruited using intermediaries in each of the local labour markets and through centres offering employment and training advice based mostly in more deprived neighbourhoods.

The young people concerned were aged between 17 and 27 years. Almost all were jobseekers with relatively poor qualifications living in poor reputation neighbourhoods. Some had no qualifications at all, some had a handful of GCSEs and very few had large numbers of GCSEs, A levels or vocational qualifications. Many demonstrated, in the research interview/ focus group setting, that they had some soft skills (of the types that would be sought by many employers). Some had almost no work experience and few had uninterrupted work histories. Many were reliant on public transport and some had criminal records and caring responsibilities.

Importantly, the young people considered here were markedly weaker candidates for jobs that required limited education and skills than the

experimental candidates. In this chapter we consider their attitudes and desire to work, their experience of job searching and associated outcomes and how some individuals had sought to improve their prospects.

It should be noted that interviewees and focus group participants varied greatly in their personalities, confidence and self-presentation. Some interviewees were extremely articulate and persuasive, or came across as energetic and self-reliant, whereas others lacked confidence.

The desire to work and attitudes towards work

Despite variations in their experiences to date, all of the young people interviewed said that they wanted to work. While it should be borne in mind that active job seeking is a requirement for receipt of JSA benefit payments, the vast majority appeared to have a genuine interest in work and had recently taken some steps to find employment. Some were passionate about the importance of work to their life and self-image. For instance, a 25-year-old woman from the medium local labour market said: 'I need to work, I've always worked, I couldn't sit around and let the government pay for me'. Others appeared genuinely, if less fervently, interested. However, some were clearly affected by a feeling of rejection from the failure of their efforts to secure work (as highlighted in more detail below). A few young people commented on others in the neighbourhood who they thought did not want to work and emphasised that they were different from them. For example, a young man from the weak local labour market remarked about those from local neighbourhoods with poor reputations: 'children don't have the example of their parents working. It's about upbringing.'

As well as indicating a desire to work, most of the young people interviewed had a good grasp of what personal qualities employers sought in an employee, often mentioning work experience. They also referred to 'soft skills' such as 'enthusiasm', 'loyalty', 'punctuality' and 'teamwork', and highlighted the need to 'dress presentably' in order to 'look the part' and to 'talk properly' and 'fit in'. They felt that a lack of qualifications disadvantaged them in their search for work. Several believed that criminal records would prove a bar to work.

Most of the young people interviewed had realistic ideas about the types of job they might hope to get, given their education, experience and disadvantages. A few interviewees described 'ideal jobs', of which they had relinquished hope in their early twenties because they required substantially more education or training than they had, or from which they were blocked through parenthood or criminal records.

Almost all young people interviewed said they were willing to consider a range of job types, at the levels for which they would nominally be qualified, and which were available in their local labour market areas. Several said they wanted any kind of work. For instance, a 24-year-old woman from the weak local labour market who had never worked expressed a preference for catering and retail but was looking for 'anything really – I do want a job'.

However, some young people were more selective in the types of work that they would consider. In the weak local labour market, a number of young men interviewed said that they would not work in a shop and were holding out for jobs in heavy industry similar to those their fathers or grandfathers had held, despite the limited supply of such jobs. However, others criticised their peers who narrowed their search in this way. One young man from the medium local labour market criticised others who he thought narrowed their search to higher-status jobs: 'people have something in them saying

“that’s below me”. Wouldn’t it be more below you to sign on? ... I’d rather be scraping someone’s sick off the floor in a nightclub than be someone signing on.’

In terms of distance that they would be prepared to travel, most of the young people said that they would be willing to work in jobs that were up to an hour’s journey away. A 22-year-old woman from the medium local labour market reported: ‘my job search [as part of the JSA Agreement] says an hour’, while a 24-year-old man from the same local labour market commented: ‘an hour’s commute wouldn’t be an issue ... I think the furthest one I’ve applied for is ... about two hours’ commute when you’re taking buses.’ Some gave examples of past jobs they had held at these distances, which are substantially longer than the average UK commute.

Several interviewees expressed their travel limits in terms of not time or distance, but journey complexity or expense, as exemplified by the comment from a 20-year-old woman in the medium local labour market that ‘two buses wouldn’t bother me but three would, or if I had to get a train.’ Few of the interviewees had a driving licence or access to a car. A 20-year-old woman in the medium local labour market said that she could not travel that far ‘because I can’t drive’. A 25-year-old man from the same area said: ‘if I had a driving licence I wouldn’t mind ... I’d drive to the ends of the earth to get a job.’ Some were concerned about the potential cost of travel: ‘providing the money is decent enough to allow me to travel, I’ll go wherever you want’ (25-year-old woman, medium local labour market). A 20-year-old man from the weak local labour market said he had driven an hour and ten minutes to a temporary job but ‘after the expense of travelling it wasn’t worth it.’ Conversely, some interviewees were hesitant about applying for jobs in places that they were not familiar with, even if relatively near.

Engaging in a job search

Job search methods used

All of the interviewees had used the internet to search for work and almost all appeared to use it as their main source; the exceptions were a handful reliant on personal connections for jobs. The sites used included www.direct.gov.uk (which was the basis for vacancy information in Chapters 2 and 3 and the main source for the experiment in Chapter 4), as well as other commercial sites, employers’ websites and general search engines. Some of the interviewees did not have access to the internet at home and felt disadvantaged by this. They described visiting libraries, community centres or friends’ and relatives’ homes to look for jobs.

Several reasons were advanced by young people for using the internet, including speed, ease of application and volume of vacancies available in one place. A 20-year-old woman in the weak labour market said:

you could apply so quickly ... you upload your CV, all you have to write is a cover letter, then you could apply to about 20 jobs in about an hour ... so much easier than running around handing out CVs.

For some, the internet was a useful tool because it meant that they were removed from direct interaction with the employer: as a 24-year-old woman from the strong labour market said, ‘because you’re behind a screen, you don’t have to pluck up the courage [to interact directly with the employer]’.

A 25-year-old man from the medium labour market who was a particularly proactive job searcher criticised others for being too passive and

too dependent on the internet for job search: 'if they do look, it's just online and that's it. They'll send an email off and that's it – they won't chase them [the employers] – but you have to chase them'.

The young people interviewed varied markedly in terms of the balance between proactivity and reactivity in their job search. A substantial proportion of all interviewees had at least tried seeking work proactively by making speculative applications, sending CVs to organisations, 'asking around' in general or, most commonly, handing CVs in to shops for retail work. This was the main means of job searching for one 22-year-old woman in the strong local labour market. Another young woman in the same area said: 'I take my CV with me when I go in to town, and if I see anything anywhere I hand one in'. Similarly, some focus group participants in the weak local labour market had handed out CVs at industrial estates.

However, not all young people interviewed either had the confidence, energy or inclination to engage in making speculative applications directly to employers or held out much hope of success from such an approach. Some young people seeking manual work or informal labouring also relied on local networks, as exemplified by one of a group of young men seeking manual work in the weak local labour market, who said: 'if a place comes up where one of your mates works they'll try to get you in'. These jobs are outside the scope of the analyses reported in Chapters 2–4, but informal approaches were seen by some young people as the best way to get jobs.

All of those who were claiming JSA had received some advice and instruction from JCP, but assessments of its value varied. Some interviewees felt 'you have to do it [job search] yourself'. Some used local community support centres, where they accessed the internet and received job search advice. Others referred to careers services and youth workers as providing advice. A few young jobseekers in each local labour market mentioned using newspapers and free sheets to search for work. Some used agencies and had found this a successful way to access employment, albeit much of it temporary.

Intensity of the job search

Just as there was some variation in job search methods used, so there were differences between young people in the intensity of their job search. It was difficult to get a firm idea of the time people spent searching and applying for jobs and the number of applications they made per week or month. Many interviewees had difficulty recalling the exact amount of time they had spent on these activities and the number of applications made. At one extreme, a 25-year-old man from the medium local labour market, who was in employment at the time of the interview but who had been unemployed until recently, said that he searched 'as if I was in a job, so eight and a half hours [a day]'. For most jobseekers, however, searching and application appeared to be less intensive and somewhat episodic.

Those claiming JSA were usually set a target to apply for a number of jobs per week. One young man participating in a focus group discussion in the weak local labour market said, 'you're meant to write to two a week, phone two a week and send CVs to two a week ... It depends what your adviser puts down for you, what she says.' A member of the same group made two applications a week and a third had made four in the last week. One interviewee had made about 100 speculative applications for retail jobs (22-year-old man, strong local labour market). Another had made ten applications over the internet in the past month (24-year-old woman, weak local labour market).

Several people described a weekly schedule of activity based around the days they would visit an employment support centre or the days or times at which they had access to the internet (if not at home). A 25-year-old man in the medium local labour market searched for two to three hours a day, while a 23-year-old man from the weak local labour market estimated that he searched for six to seven hours a week. By contrast, a 24-year-old man from the medium local labour market reported:

I tend to do it [job search] only a few days a week but I'm one of those people that gets stuck into things so I end up doing it for hours – I start around ten or eleven in the morning and finish about 6pm ... So a day's job-search, a day's research into those jobs, and then a day actually applying – and I tend to do a cycle like that twice a week.

The experience of the experiment (detailed in Appendix 4) suggests that one hour is a reasonable time for a conscientious job seeker to tailor a ready-made CV and a covering letter for a specific vacancy (assuming that a job seeker has ready access to the internet at home), but that applications requiring completion of web-based or paper forms can take up to three hours. A 22-year-old man in the strong local labour market estimated that 'making the actual CV is probably half an hour at most', but searching and researching the opportunity might take longer. He said that he changed his CV and covering letter for each job and that the latter was most time-intensive:

The cover letters probably take up most of my time because doing them for each is quite difficult – because you have to come up with some paragraph bigging up what they're doing even though you don't want to do it really. It's probably a good hour to do the cover letter.

A 24-year-old man from the medium local labour market made similar comments about tailoring CVs and letters to specific vacancies:

I tend to think it's better to read into what the job is ... you want to be able to write what you think makes you appropriate for that position ... I probably take a couple of days over it.

In contrast, some interviewees said that, using the internet, they could 'fire off a load of CVs' very quickly, with little or no tailoring. However, none of the interviewees mentioned that speed of response might be a factor in successful job search.

Clearly, job searching and applications cost the young people time and effort, albeit there was considerable variation in the amount of time and effort they expended. There were also financial costs. A 22-year-old woman from the medium labour market said, 'you have to go ringing around, and when you've got a mobile that you have to top-up with £100 every two weeks – it's just not doable'. This time and effort is in exchange for the chance of a job that is unquantifiable in any one case.

Outcomes: lack of feedback and de-motivation

Almost all young people we spoke to had sent off numerous applications that not only were unsuccessful but received no response from employers. Typical

refrains included: 'they [the employers] never get back to you', 'no one replies to you' or 'you never get feedback'.

While jobseekers in all local labour markets had poor experiences, those in the weak labour market appeared the most despondent. A 23-year-old man from the weak labour market said, 'there's not really anything for people so that's why everyone has to go away to work'. Elsewhere, jobseekers were aware that competition for jobs was intense. A 22-year-old man in the medium local labour market described an experience of taking his CV into a shop:

they left it on the counter; the other worker who wasn't a manager threw it in the bin, because people are trying to protect their own jobs, it's dog-eat-dog at the moment.

A young man in the weak local labour market said that handing out CVs was 'a waste of time – they'd put it on a pile that big [gestures] and wipe their arse with it'. One interviewee in the strong labour market had made about 100 speculative applications for retail jobs without success.

Experiences of repeated non-response or negative response reduced motivation for further searching for some. As a 24-year-old woman from the weak local labour market said: 'you send out all these applications and you never hear anything back, so you start thinking there's no point sending any more off.' Likewise, a 25-year-old man from the weak local labour market reported:

Once you've been knocked back a few times it hurts your confidence as well so I think you end up applying less and less and less, until you're not applying at all. It hurts your confidence if you hear nowt.

A 20-year-old woman in the medium local labour market said her job search 'used to be every day, but I got to a point where it was only five minutes a week'. One 20-year-old woman from the medium local labour market explained why she now applied for jobs only by the internet: 'it's less disappointing if you don't hear something back over email than if you've dropped in a CV at a shop and had a conversation with them.' On the other hand, some jobseekers said that they had got used to rejection. A 25-year-old man from the medium local labour market said, 'you get used to being knocked back after a year – when you've sent in so many applications, phoned people ... you just get used to it. Someone will get back to you eventually'.

A 24-year-old woman from the strong local labour market reported that she had regained confidence after a training course:

It was always, 'you haven't had this job, you haven't got that job ...' and I was getting to the point where I couldn't be bothered any more ... [the training course] actually made me more confident ... I was getting positive feedback from the training – for being punctual, caring etc.

This is one way in which a job seeker's outlook had changed. Other methods and strategies adopted by jobseekers to improve their prospects are outlined in the next section.

“Experiences of repeated non-response or negative response reduced motivation”

Improving prospects for a successful job search

In light of lack of success in finding work, some jobseekers had concluded that stoic repeated applications, in the absence of any other changes, might not work.

Improving qualifications

Some young people lamented their lack of qualifications as a major barrier to finding work. Focus group participants in the 'medium' local labour market advised their younger peers: 'stay in school and do your GCSEs; the grades don't really matter but you have more options if you do them.' Some recommended that younger people study for A levels and go to university. Others with several GCSEs, including those with five GCSEs at grades A–C, felt they needed further qualifications to compete successfully for jobs. However, some considered that improving their qualifications and skills was unlikely to help their predicament, given the difficulties faced by those with better qualifications than themselves in finding work. Others came to a different conclusion. For example, a 20-year-old woman from the medium local labour market who had not worked since leaving college at the age of 17 had recently returned to college to make a 'fresh start'.

Volunteering

One striking feature of the young interviewees was that large numbers of them had experience of, or were engaged in, formal volunteering while unemployed and looking for work, in some cases for substantial amounts of time and over extended periods. A 22-year-old man in the strong local labour market had volunteered as a shop assistant for Cancer Research, Shelter and Oxfam, while a 25-year-old woman in the medium local labour market had volunteered for three years on a part-time basis. A 22-year-old man in the medium local labour market said, 'I don't put myself in the same category [as those] who go on JSA and spend all their money on drugs – I volunteer at least three days a week.' Some young people hoped that volunteering would help them circumvent the restrictions of having a criminal record or poor qualifications. Some appeared to have got involved spontaneously, and others as a result of advice from support agencies.

Using networks

A large minority of the young people interviewed revealed criminal records. Some of these felt blocked from mainstream channels and sought work only through friends or acquaintances: 'I refuse to apply to jobs [formally] because I get nowhere with them' (25-year-old woman, medium local labour market). She commented that she had a large and varied informal network of friends, which had provided her with work until recently. While a criminal record had led her to resort to using friendship networks, this is a possible avenue that was mentioned relatively rarely by the majority of young people interviewed.

Summary

The evidence gathered from the experience of weaker candidates suggests that most had a strong desire to work and had a good grasp of what attributes employers might look for in applicants. The intensity of their job search varied markedly, but was not as systematic as that of the more advantaged fictional jobseekers in the experiment in Chapter 4. Although job searching using the internet predominated, most used several job

search methods. Their experiences were less favourable than those of more advantaged young people included in the experiment and lack of feedback and success had caused some young people to become demotivated and search less intensively. Some had engaged in volunteering, others sought to improve their qualifications and some had cultivated friendship networks to enhance their job search success. However, as weak candidates in a tough labour market, they faced a harsher reality than the more promising candidates included in the experiment. The implications of their experiences are the subject of the next chapter.

6 CONCLUSIONS AND RECOMMENDATIONS

This final chapter draws on findings from all parts of the research in addressing, in turn, the five questions set out in Chapter 1.

The state of the labour market

The first question addressed is:

- What is the state of the labour market for young people with limited education and skills, and how does this vary by job type and in different parts of the country?

The recession and subsequent economic fragility and uncertainty has reduced the total number of vacancies available at any one time in all labour markets. The length of time that vacancies remained open has also reduced. In 2008, competition for work in the three case study local labour markets increased sharply, to more than five jobseekers per notified vacancy in the strong local labour market and to more than ten jobseekers per notified vacancy in the medium and weak local labour markets.

Competition was stronger still for those seeking jobs requiring limited education and skills. It was not true to say, as a few jobseekers felt, that there were 'no jobs' to apply for in any local area or job type, although there were in some cases marked monthly variations in vacancies for some job types.

A further feature of competition was that vacancies tended to be open for shorter periods than formerly, thus demanding a speedy response to enhance chances of a successful application.

Therefore, it is clear that the labour market has become tougher everywhere, but more so in some local areas than in others.

Behaviour of employers and jobseekers

The second question the research investigated was:

- How do employers with jobs requiring limited education and skills seek and select employees, and how do such jobseekers search and apply for jobs?

Employer recruitment and selection practices continue to evolve over time. One key trend over the last decade or so has been increasing use of the internet in advertising vacancies, along with an increase in receipt of electronic applications. However, employers still use other methods, including press advertising, employment agencies and informal recruitment channels. Methods used differ by both job type and local area. There are variations in whether, and which, recruitment and selection functions are centralised or localised and whether or not closing dates are adhered to. The evidence suggests that, while in the public sector a vacancy remains open until the advertised closing date, this is not necessarily the case for some private sector employers, who may close a vacancy after a certain number of applications have been received, rather than after a stated or other time has elapsed. Such behaviour favours early applications and those with internet access at home.

The majority of employers interviewed indicated that, for jobs requiring limited skills and experience, formal qualifications were not a crucial factor in selection. Adverts examined as part of the experiment generally stated that experience of the role in question, or a similar post, was either required or preferred. In the case of cleaning and kitchen hand work, which employers interviewed admitted was physically demanding, experience was preferred as it suggested recruits understood the nature of work and would be more likely to stay in the job over time. For many jobs, especially those with non-standard hours, employers expressed a preference for local workers, who could be relied upon to get to work on time.

In general, jobseekers displayed a relatively good understanding of the attributes that employers were seeking. Some had sought to develop such attributes through work experience on various government and voluntary sector schemes and volunteering opportunities that they had found themselves. Most young people already followed general good practice in using a variety of job search methods and sources of advice and support. However, most of the young jobseekers interviewed for this research did not search and apply for jobs intensively every day, suggesting that they did not appreciate the importance of speedy application for some types of jobs.

Since 2011, jobseekers have been expected to look for jobs up to 90 minutes' travel away. Although only a small minority of UK employees commute for this long, some of the young jobseekers interviewed were willing to consider jobs at such a distance. However, this does not necessarily reduce competition as it puts jobseekers into a pool of people primarily searching in these more distant geographical areas. Employer's preferences for nearby candidates may further reduce chances of success per application.

Jobseekers' job search and application activity is measured and regulated as a condition of claiming JSA. However, measuring activity by numbers of applications made per week is crude: the quality of search and application is important. This suggests that jobseekers and their advisers would benefit from good-quality information and intelligence on how and where vacancies for specific job types are advertised in particular local labour markets and what constitutes effective search.

Job search responses and outcomes

Third, the research addressed the question:

- What responses do jobseekers get to their job applications? What success rates are achieved and how do these vary by job type, area and the characteristics of the applicant?

In the experiment reported in Chapter 4, the most likely response to an application was nothing (i.e. no response and no feedback). Candidates in the experiment had four to ten years of continuous, relevant work experience and all of the qualifications that the post required, but with carefully tailored and speedy responses to adverts still faced 83 per cent rejection at this first stage of the job application process. Some of the young jobseekers interviewed had up to a decade of work experience, which had not protected them from months out of work in the recession.

Nevertheless, an 83 per cent rejection rate translates to having some success – not necessarily a job offer but a call to interview or request for information – in around one in six cases. Among the well-qualified and experienced candidates in the experiment, median experiences were a little better than this, although even among these candidates there were cases of people applying for up to 50 vacancies before getting a positive response.

In the experiment, positive response rates were nearly twice as high in the strong local labour market as in the weak local labour market. Applicants in the weak labour market would need to make nearly twice as many applications to generate the same number of positive responses as those with identical qualifications and experience who were living in a strong local labour market. This indicates that where you live matters. There were also variations in response rates by job type, but these differences were not uniform across the three local labour market areas.

Some employers said that, although they did not specify particular educational qualifications, they often received applications from very well-qualified candidates. For example, in the medium and strong local labour markets, which both had large universities, employers could expect students and graduates to apply for jobs offering close to the national minimum wage. Employers may have come to expect, prefer or even implicitly require candidates with quite high qualifications, even for jobs overtly requiring limited education and skills, and would adjust their selection practices accordingly. Hence, a ready supply of some types of applicants in a particular local labour market may have an indirect influence on employers' recruitment and selection strategies in a way that disadvantages those young people in a weaker labour market position.

Postcode discrimination

The key question motivating this research, for which a unique experimental methodology was designed, was:

- Do people living in neighbourhoods with poor reputations face 'postcode discrimination'?

The experiment results showed no statistically significant difference in positive response rates for those living in neighbourhoods with bland reputations compared with those living in neighbourhoods with poor reputations. It should be noted that the experiment covered promising candidates, looking for work in selected jobs requiring limited education and skills, which could be applied to over the internet. It remains possible that postcode discrimination could occur in local areas and job types outside the experiment or at interview stage. However, in large proportions of jobs, at least some selection decisions are taken by those with limited or low local knowledge.

This result challenges the idea of postcode discrimination proposed in research literature and also widespread amongst members of the public, and some neighbourhood residents, labour market intermediaries and employers interviewed as part of other research as a potential partial explanation for higher rates of unemployment in certain neighbourhoods.

It suggests that relatively high rates of unemployment in neighbourhoods with poor reputations cannot be explained fully or substantially by discrimination from employers. Other factors, including the weakness of local labour markets, concentrations of residents facing multiple disadvantages in finding work, and the overt preference, amongst many recruiters for low-skilled jobs, for employees from neighbourhoods with easy access to work, may be more important factors.

Indeed, following Nunn *et al.* (2010) the research found widespread preference by employers for workers who lived close to the workplace. If they lack a driving licence, access to a car or fast public transport routes, residents of some disadvantaged neighbourhoods may be unable to access a substantial number of job opportunities in their cities. This suggests that having a driving licence and access to a car may be an important element in enhancing employability, especially for work at sites poorly served by public transport or for jobs with antisocial hours. Improvement of transport links and information about links, both for potential users and employers, is important to maintaining and improving access to employment.

Implications and recommendations: key messages

Finally, the fifth question posed at the outset was:

- What are the implications for government, employers, young jobseekers and those who advise them?

The answers to this question are structured around four key messages.

Improving the job search

Given relatively low positive response rates achieved even by promising candidates for posts nominally requiring limited education and skills, and the fact employers may start sifting applications as soon as they receive them, putting effort into intensive, systematic rapid response and proactive job search and application is important in improving chances of job search success.

Many jobseekers may not realise how intensive the most successful job search strategy is: a job in itself. They may also not realise the likely length of unemployment implied by sporadic application, high rates of competition and low positive response rates. Jobseekers who do not search and apply on a daily basis, who are not aware of the importance of speedy application to jobs advertised on the internet and who do not have high-speed internet in their own homes will be at a substantial disadvantage. They may miss out on opportunities and may make applications with low or zero chances of success.

This does not mean that 'more necessarily means better'. Ill-targeted applications are unlikely to be successful in a tough labour market, so there is a trade-off between quality of application and the sheer number of applications made.

Well-qualified candidates should not be concerned about postcode discrimination

The experiment found no statistically significant evidence for postcode discrimination by employers at the first stage in the job application process in the case of promising candidates looking for work in selected jobs requiring limited education and skills, which could be applied to over the internet in the three local labour market areas studied. Residents of neighbourhoods with poor reputations should be informed of the results and should be encouraged to apply for work without fear of discrimination.

If they do have concerns, applying electronically often allows the option of not disclosing their address in any case.

Understanding employers' practices: a role for enhanced local intelligence

Particularly in a difficult labour market, large amounts of time and money are wasted in the job application process: applicants' time in preparing applications and employers' time in sifting through them. While the internet has reduced costs of advertising for employers and has reduced the marginal cost of any application for jobseekers, it creates potential for new inefficiencies in search and application strategies. Some of this cost can be monetised when, for example, employers pay agencies to perform sifting tasks for them. There are additional costs; for example, if jobseekers spend unnecessarily long periods out of work because of poor search and application strategies or if they become discouraged enough to leave the labour market or suffer depression.

Better understanding of employers' recruitment and selection practices can lead to more efficient job searching and better targeting of applications. Enhanced information may reduce transaction costs for both employers and applicants without making the job search task harder for more disadvantaged applicants.

Lack of response to applications and feedback from employers sapped the confidence of many jobseekers, allowing ill-targeted applications to be repeated. In an ideal world, employers should be encouraged to provide generic but informative feedback.

Ideally, job searching and advice on job searching need to be tailored to individual areas and job types, as there is substantial variation in employers' recruitment and selection practices, the best websites and other sources of vacancies to use as well as the extent of competition. As far as possible, intelligence should be designed around evidence on what is effective in local labour markets. It should also aim to avoid wasted effort. To this end, the DWP should ensure employers do not leave vacancies on the www.direct.gov.uk site after they are filled, as this creates entirely wasted applicant effort. Similarly, employers could help jobseekers by taking vacancies off their own websites as soon as they are filled.

The lack of jobs

Labour 'supply-side' measures such as better qualifications, better CVs and more or faster job applications may assist particular groups and enhance their position relative to the competition. However, for some job types in some labour markets, we found only low absolute numbers of vacancies. Broadening search strategies increased the absolute number of vacancies available. However, even with broader searches, it appears that applicants for some job types and in some labour markets may run out of vacancies to apply for over the course of a month. In addition, the measures of competition demonstrate that there is an imbalance between the numbers

of jobseekers and the number of jobs. In some cases, competition was intense. The extent of competition demonstrated through labour market data correlated with the rates of positive first-stage responses found in the experiment for different job types and labour markets. While extending the types of jobs considered and the geographical area of the search increased the number of vacancies available to apply for, it could also increase competition and reduce chances of success per application. Thus, the more fundamental challenge is one of demand for labour: a lack of jobs. Only measures that add to the total number of jobs in areas will have an impact on overall employment and unemployment rates.

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APPENDIX 1

THE SELECTION OF CASE STUDY LABOUR MARKETS AND NEIGHBOURHOODS

Labour markets

The criteria for selecting the three local labour markets for the study were as follows:

- They had to be large enough to generate sufficient vacancies but small enough that local neighbourhoods within them might be known to employers.
- They had to include weaker and stronger labour markets (higher/lower unemployment/job density than national average, while recognising that many urban areas with stigmatised neighbourhoods tend to have higher than average unemployment).
- They had to be areas with low minority ethnic populations.
- They had to include at least some neighbourhoods with very poor local reputations.

This led to a selection as seen in Table 5.

Table 5 – Case study labour markets

Name	Approximate population of working age, 2010	Percentage of all those aged 16–64 claiming JSA, mid-2010 (%)	Rank by unemployment rate out of UK TTWAs, 2010 (weighted by population of working age)
Weak	250,000	5.7	Highest 5%
Average	500,000	4.1	Highest 30%
Strong	250,000	3.2	Lowest 40%

Source: Nomis (www.nomisweb.co.uk), accessed March 2011; based on 2007 mid-year populations.

Neighbourhoods

The criteria for selecting neighbourhoods were as follows:

- Three per local labour market, of which two should be particularly deprived and have well-established 'poor' reputations and one should not be particularly deprived and should have a 'bland' reputation, to serve as a comparator.
- They were well known locally by neighbourhood name, main street name or postcode.
- They had relatively small minority ethnic populations.
- They were at a similar travel time from the employment centre of the TTWA and not at the furthest edges.

This led to a selection as seen in Table 6.

For the comparator neighbourhoods to those with poor reputations, we sought 'bland' comparators. Neighbourhood selection involved desk research on deprivation and reputation in the media, and field visits, including street interviews, which we used to confirm the poor reputation and bland reputation of shortlisted areas.

Table 6 – Case study neighbourhoods

Case study labour market name	Neighbourhood reputation type	Percentage of all those aged 16–64 claiming JSA, mid-2010 (%) ^a	Difference between neighbourhood and TTWA rates (%)
Weak	Poor 1	16.6	+9.9
	Poor 2	12.1	+6.4
	Bland	3.2	-2.5
Medium	Poor 1	8.3	+4.2
	Poor 2	6.3	+2.2
	Bland	2.9	-1.2
Strong	Poor 1	8.1	+4.9
	Poor 2	6.9	+3.7
	Bland	2.2	-1.0

Source: NOMIS (www.nomisweb.co.uk), accessed June 2012; based on 2010 mid-year population estimates.

Note

- a JSA claim rates are lower than rates of unemployment measured using ISO definitions, which are not available for small areas. The denominator used in the standard definition of JSA claim rates, all those aged 16–64 who are economically active, is not available updated for small areas.

APPENDIX 2

THE METHODS USED IN LOCAL LABOUR MARKET ANALYSIS

Definitions and data

The Jobseeker's Allowance (JSA) claimant count is a count of the number of people receiving the benefit. Two kinds of JSA are payable:

- contribution-based JSA, for people who have paid two years of National Insurance contributions, payable for up to six months regardless of income and savings.
- income-based JSA, for people who have not made sufficient contributions, which is means tested.

The claimant count is not a complete or official measure of unemployment. It tends to be lower than the International Labour Organization (ILO) definition of unemployment, which includes anyone who is out of work, actively seeking work or waiting to start a job within two weeks. The claimant count excludes a number of people who are unemployed and looking for work, but who are not eligible for JSA, such as people whose income is too high to be eligible, people who are on government training schemes and people who do not claim even though they are eligible.

In addition, JSA claimants and unemployed people are not the only people looking for jobs. Some employed people will be searching for a new and different job. During a recession, fewer people who are already employed may seek to move jobs, but some will, and there may be an increase in returners to the labour market as other earners in a household lose their jobs or take wage cuts.

The claimant count is thus likely to understate the total number of people waiting to start and looking for new jobs. However, it is very valuable as it is the only up-to-date measure of the number of people wanting, and looking for, work that is issued each month and available at local labour market and neighbourhood scales.

For vacancies we use administrative data on the jobs registered with Jobcentre Plus. An alternative source would be the Vacancy Survey, which

has a broader reach in terms of the kinds of vacancies it covers, including some not advertised through Jobcentre Plus, but with a sample of only 6,000 across the UK it cannot be used for local-level analysis. Jobcentre Plus vacancy data is the only data on available jobs that is up to date (as it is issued each month) and available at local level.

'Notified vacancies' figures include all jobs notified to Jobcentre Plus by employers each month. It is a measure of the flow of new vacancies. Not all job vacancies are notified to Jobcentre Plus. Other vacancies may be advertised through alternative means including press adverts, employers' own websites or commercial sites, adverts placed at workplaces or in the streets, or through word of mouth. Some vacancies are advertised using multiple channels.

'Live unfilled vacancies' figures provide a monthly snapshot of the number of vacancies that have been notified to Jobcentre Plus but are not known to have been filled. It is a measure of the stock of existing vacancies. Live unfilled vacancies may include some vacancies that have already been filled or withdrawn because employers are not required to inform Jobcentre Plus when posts have been filled. In the experiment conducted for this study we identified some cases in which jobs that appeared to be unfilled had actually been filled (Jobcentre Plus staff are responsible for checking with employers that vacancies are still open, and there can be time lags). Thus the live unfilled vacancies figures are likely to slightly overestimate the vacancies available through Jobcentre Plus.

Use of the Standard Occupational Classifications to generate different job search strategies

Vacancies reported to Jobcentre Plus are classified using the Standard Occupational Classification (SOC) of job types, developed by the Office for National Statistics. At the broadest level the SOC groups occupations into major groups, signified by single-digit codes. For example 'sales and customer service occupations' are code 7 and 'elementary occupations' are code 9. These are then broken into sub-major groups (two-digit codes such as 71, 72 etc.), minor groups (three-digit codes) and unit groups (four-digit codes). For example, sales and customer service occupations (code 7) include sales occupations (code 71) and customer service occupations (code 72). The former includes sales assistants and retail cashiers (code 711) and this includes sales and retail assistants (code 7111) amongst other unit groups (retail cashiers and checkout operators, telephone salespersons).

The SOC codes describe families of jobs with broad similarities. However, the hierarchical groups of the SOC were not designed explicitly to group similar sorts of jobs that a single job seeker might plausibly be interested in and suitable for. Jobseekers looking beyond their first, narrowest preference at the four-digit level might also explore some, but not all, other jobs sharing the first three digits, and could also look at others from different groups entirely. While gender should be no bar to employment in any field, in practice, many types of jobs are typically held by one gender more than another, and typically job searches may be affected by applicants' gender. For example a woman whose first preference for work is a sales and retail assistant post (7111) might consider a wide range of other jobs, including those in other major groups [e.g. rail travel assistants (6215) and bar work (9225)] but not all the jobs in those other major groups or subgroups [e.g. undertakers (6291) or refuse and salvage operators (9235)].

We therefore adopted five approaches to grouping jobs to describe the

Table 7 – Job searches used in analysis

Search	Description	Scope of search
1	Narrow	Job seeker will only consider jobs of one job type, defined by a single four-digit SOC unit code
2	Typical	Job seeker will consider jobs in three different four-digit SOC unit codes, which are plausible combinations but are not necessarily within the same minor group. Jobs would be predominantly held by the other gender would not be considered
3	Wide with some preferences	Job seeker will consider jobs that their level of skill and education fits them for, provided these match a set of assumed preferences for the nature of work. For example, someone seeking office work would not consider outdoor jobs. Jobs predominantly done by the other gender would not be considered
4	All jobs within gender norms	Job seeker will consider jobs that their level of skill and education fits them for, exercising no preference, except that jobs predominantly done by the other gender would not be considered
5	All jobs	Job seeker will consider all vacancies

number of vacancies available for jobseekers with particular preferences. Table 7 lists these job search approaches.

A job 'predominantly done by the other gender' was defined as one in which 70 per cent or more of workers were of that gender (using 2009 Labour Force Survey data), excepting the case of waiter/waitress which was considered a unisex job despite its current gender breakdown, taking into account that the share of men in this occupation was higher in younger than in older age groups.

Our interview data suggests that the 'narrow' search is what would currently be expected of a job seeker claiming JSA in the first instance, broadening to the 'typical' search if unsuccessful after 13 weeks. The DWP uses SOC codes in its recording of vacancies. Jobseekers in their thirteenth or later week of claims are usually required by their Job Seeker's Agreement to search for three types of work they are most interested in, using SOC-code linked job terms in www.direct.gov.uk. The 'typical' search was closest to the searches adopted by the young jobseekers we interviewed, probably partly under the influence of Jobcentre Plus requirements and what www.direct.gov.uk allows.

In this report we comment on only the data from the first two searches (i.e. 'narrow' and 'typical'), although we collected data for the others. The 'wide with some preferences' search and the 'all jobs within gender norms' could be adopted to increase the numbers of vacancies considered. The 'all jobs' search is intuitively unrealistic and inadvisable. It would involve a low-skilled job seeker applying for managerial and professional positions. We included it to provide a ready comparison, since 'total vacancies' are often cited in public debate as an indication of the state of the labour market.

We applied these searches to Jobcentre Plus unfilled vacancy data in the three local labour markets from August 2010 to June 2011 (with the exception of September 2010, for which data has been withdrawn from the Nomis website for technical reasons). We compared the numbers of vacancies available for different job searches to JSA claimant data showing the number of claimants seeking work in the same job categories. There is considerable monthly variation in vacancies and so we show the average monthly figure across the year 2010–11.

We did this for four different notional jobseekers, each with a different core preference amongst types of work that required limited education

Table 8 – Job searches used in analysis (with SOC codes)

Core preference	Gender	'Narrow' search	Additional jobs included in 'typical' search
Office worker	Female	General office work (4150)	Receptionist (4216) Sales and retail (7111)
Cleaner	Female	Cleaning (9233)	Bar staff (9225) Kitchen and catering assistants (9223)
Security guard	Male	Security work (9241)	Labourers in construction trades other than building and woodworking (9129) General goods handling and storage (9149)
Sales assistant	Male	Sales/retail work (7111)	Waiter (9224) Customer care occupations (7212)

and skills (see Table 8). The first two roles are predominantly carried out by women. The last role is predominantly carried out by men. Retail jobs are divided fairly evenly between men and women. We chose here to assume that the retail worker was male and that, as he broadened searches, he would not go into areas of work where female employees predominated.

The types of work selected matched four of the types of work offered by employers we interviewed and the jobs we applied to in the experiment, and included types searched for by the young jobseekers we interviewed. Table 8 shows the categories of work they would look for in the 'narrow' and 'typical' searches.

Counting the number of jobs available within different geographical areas

To explore the geographical distribution of vacancies we first looked at the number of vacancies within the entire TTWAs for each of the three case study local labour markets. Nomis provides data on vacancies by TTWA, based on the postcode of the job site address provided by employers to Jobcentre Plus.

Travel-to-work areas are defined by the Office for National Statistics (ONS) and constitute relatively self-contained labour markets (Coombes and Bond, 2008). At least 75 per cent of the resident economically active population of a TTWA work in the area; also, of everyone working in the area, at least 75 per cent actually live in the area. Travel-to-work areas are defined on the basis of aggregate real commuting flows, for all types of workers. The TTWAs in these cases were sizeable geographical areas, at least 20 km across and extending well beyond the core local authority's boundaries.

They are likely to be larger than would be the case if defined in terms of commuting flows of workers in jobs requiring limited education and skills. Young workers, those with lower incomes and those not using a car commute less far than others (Department for Transport, 2011). Reasons include the cost of transport relative to wages, working antisocial or split shifts, combining paid work with caring responsibilities and having more limited travel horizons (Green and White, 2007; McQuaid, 2009; Rivas-Perez, 2010). They are also more likely to have to rely on public transport. Young jobseekers we interviewed (see Chapter 5) preferred bus travel to train travel, which might have given them greater range, because trains were seen as expensive. The ONS data shows that in 2009, outside London, 79 per cent of workers travelled 30 minutes or less and 46 per cent travelled for less than 15 minutes. The average UK commuting trip was 28 minutes

in 2009, with the average commute on foot 18 minutes and the average commute by bus 41 minutes (Department for Transport, 2011). There is no up-to-date data source on commuting times by age and at a neighbourhood level, but analysis of the 2001 Census showed that 16- to 24-year-olds (the relevant age group for this study) in the disadvantaged, 'poor reputation' neighbourhoods within the three local labour markets selected for the experiment had similarly short commutes. On average 78 per cent of young workers from these areas travelled less than 10 km.

To test the number of vacancies available within more typical travel zones we therefore mapped 10 km radius and 30-minute public travel times from randomly selected postcodes within the 'poor reputation neighbourhoods'. We identified vacancies available within these radii. The 30-minute public transport zone was physically smaller than both the TTWA and the 10 km radius circle and contained fewer vacancies than both. We extended the public transport zone to 31 minutes in practice since in two of the areas, parts of the central business district lay at 31 minutes' distance from the chosen neighbourhood and it seemed perverse to deem jobs there inaccessible on this basis.

APPENDIX 3

THE INTERVIEWEES

Tables 9 and 10 provide details of the employers, labour market intermediaries and young people interviewed in the three local labour markets.

Table 9 – Location, sector and size of employers and labour market intermediaries interviewed

Labour market	Employer		Labour market intermediary		Total
	Number	Type	Number	Type	
Weak labour market	4	Hotel Accountant Local authority (for cleaning posts) GP practice	4	Employment agency Jobcentre Plus Youth projects	8
Medium labour market	4	Fast food restaurant Small domestic cleaning company Hotel Museum	4	Careers advisor Regeneration project workers Employment agency	8
Strong labour market	6	Pub Bar Shops	3	Catering, cleaning and factory agency Careers advisor Local authority apprenticeship provider	9
Total	14		11		25

Table 10 – Location, gender and age of young jobseekers interviewed

Labour market	Gender		Age			Total
	Male	Female	Age 17–21	Age 22–24	Age 25–27	
Weak	15	5	9	7	4	20
Medium	13	6	8	6	5	19
Strong	10	8	5	8	5	18
Total	38	19	22	21	14	57

APPENDIX 4

THE EXPERIMENTAL METHOD

The experimental method

This research project included an unusual experiment. As described in Chapter 1, we created personas of fictional young people aged 22 to 24 living in the case study local labour markets and used them to apply to real jobs, such as those identified in Appendix 2, and similar to those offered by employers such as those we interviewed. The experiment was intended to explore the job application and selection process, the experience of competition for employers and jobseekers, and whether there was evidence for additional challenges for those from particular areas and neighbourhoods, including potential 'postcode discrimination'. This experimental method has been used before in studies of racial or ethnic discrimination in employment (Jowell and Prescott-Clark, 1970; Pager, 2007; McGinnity and Lunn, 2011; Wood *et al.*, 2009), as well as other potential forms of discrimination (Riach and Rich, 2004).

The jobs search and application strategy of our fictional applicants

Because of the nature of the experiment, we could apply only for jobs that were publicly advertised. The majority of jobs we applied for in the experiment, 512 (76.8 per cent), were sourced from the www.direct.gov.uk website. We supplemented this source with gumtree.com, which was particularly fruitful in the strong local labour market, as well as a number of other employers' and aggregator sites. This confirms evidence from Chapter 3 that employer recruitment practices vary locally. Thus our search sources were somewhat broader than those used in Chapter 2, which focused on www.direct.gov.uk, but narrower than those used by both employers and young jobseekers (Chapters 3 and 4).

We searched for the types of jobs included in analysis in Chapter 2: office admin, cleaner, security guard, sales assistant. In addition we also searched for accounts clerk, kitchen hand and chef jobs. We excluded posts that required degrees or vocational qualifications or substantial experience. Across our candidates, we used a search strategy similar to the 'typical' search described

in Appendix 2. This was similar to that described by many young people we interviewed in Chapter 5. We searched for jobs within the local labour market, which included sites more than 30 minutes by public transport and more than 10 km from the case study neighbourhoods.

We could apply only for jobs that evidence suggested had a decision maker based within the local labour market. We could not apply for jobs that required candidates to drop in or phone up for more information or to apply; in some cases only a minority of all jobs available through www.direct.gov.uk met these requirements. Box 3 summarises the characteristics of jobs we searched and applied for.

Box 3: The areas of the three local labour markets our experiment covered

- Jobs advertised on www.direct.gov.uk, gumtree.com and number of other employers and aggregator sites
- Jobs advertised August 2010 to June 2011
- Office admin, cleaner, security guard, sales assistant, accounts clerk, kitchen hand and chef jobs
- Posts that did not require degrees or vocational qualifications or substantial experience
- Jobs in which main recruitment/selection decision maker appeared to be based in the local labour market
- Jobs in which the job site appeared to be within the TTWA boundaries
- Jobs for which applications could be made by email, upload to website or post
- Jobs that did not appear to be offers of self-employment
- The part of the candidate selection up to interview or similar stage

We were able to find and apply for 16 office admin positions in March 2011 in the strong local labour market (about four per week), 16 chef positions in May 2011 in the strong local labour market (about four per week) and 18 office admin posts in June 2011 in the medium local labour market (about four per week). Overall, our job application rate matched the requirements placed on many young jobseekers by their Jobseekers' Agreements, but, even adding applications across all job types, this was lower than that which might be achieved by applicants applying full-time as 'a job in itself'. This was because those applying full-time can engage in more intensive tailoring.

It should be noted that experimental results cannot be generalised directly to other parts of the local labour markets, such as other jobs advertised by word of mouth or other types of work.

The job search and application task

As part of the conduct of the experiment, we gained insight into the task of job search and application. Even using the internet, it is not possible to apply for jobs 'in a minute'.

Searching for jobs on the internet takes some time: opening the right webpages, setting search criteria, scrolling through vacancies and excluding unsuitable ones. We were searching within the particular constraints of the experimental method. Real jobseekers are likely to have their own particular constraints and preferences. We estimate that total search time divided

by total numbers of suitable vacancies meant an average search of one hour per vacancy. However, vacancies do not appear at a steady rate, and some search sessions produced nothing suitable. Once we had decided to respond to a vacancy, we prepared materials and uploaded or mailed them to employers. In addition to minimal necessary changes between applications (e.g. altering employer's name, proving material in the required format), we spent some time tailoring our CVs and covering letters (where used) to the job (e.g. adding a few lines explaining how the candidate's experience was relevant to the post). This is recommended practice. We took about an hour on average to do this. Some applications required more time. In addition, many employment and careers advisors recommend more extensive tailoring based on researching employers, which would take extra time. Applications that required filling in an employer's form could take three hours.

We calculate that the minimum time we took to find, select and apply for a vacancy was two hours. If there was a steady flow of vacancies, one person might manage to apply for four a day at most. At the height of the experiment we were searching and applying full-time, which is probably more efficient per search and application than less intensive activity.

Jobs that the fictional candidates applied for

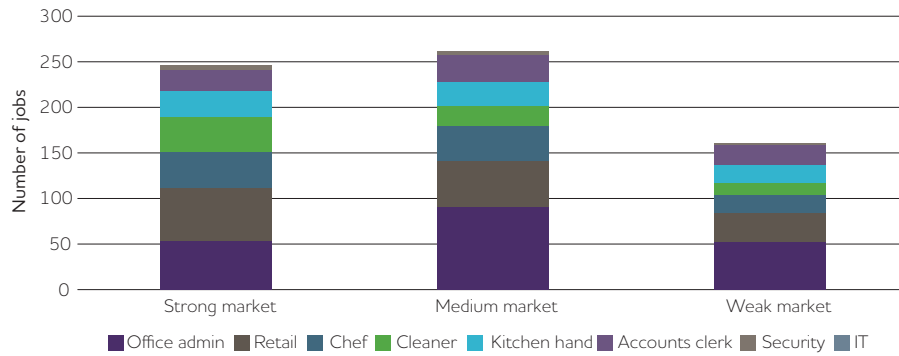
Between August 2010 and June 2011, we applied to a total of 667 jobs. We made three applications in each case, a total of 2,001 applications. The process of searching through thousands of job adverts gave us information on the demand for labour and employers' practices in the three local labour markets to supplement that in Chapters 2 and 3 and the process of applying to jobs supplemented information from interviews with employers and jobseekers in Chapters 2 and 5.

We applied for 246 jobs in the strong local labour market, 262 in the medium local labour market and 159 in the weak local labour market. The variation between the three areas was partly driven by the availability of vacancies that were in the selected job types and met the requirements of the experiment. We applied for 197 office admin jobs, 139 retail jobs, 97 chef jobs, 75 cleaner jobs, 74 kitchen hand jobs, 73 accounts clerk jobs, twelve security guard jobs and one IT specialist job (this category was later dropped because of small numbers of jobs in total and small numbers that we could apply for using our method). This partly reflected the variation in job supply between job types in the three local labour markets, but was affected by variations in local decision making and required form of application between jobs.

The mix of jobs applied for varied slightly between local labour markets (Figure 14). Again, this partly reflected the availability of jobs in different areas (see Chapter 2).

The sector and size of the employer was identified through general knowledge supplemented by web searches. We applied for just 36 jobs in the public and voluntary sectors and 631 in the private sector. Private sector jobs predominate nationwide and in each of the three local labour markets, but not to this degree. The experimental method prevented us from applying to some public sector employers, which used national or regional internet portals with no evidence of local decision makers (Chapter 3). Public and voluntary sector employers were more likely to require applicants to fill in forms. Transferring information from persona CVs to forms and preparing additional free response answers could take as long as three hours per form and also endangered the experiment by introducing additional variation

Figure 14: Types of jobs applied for, by local labour market.



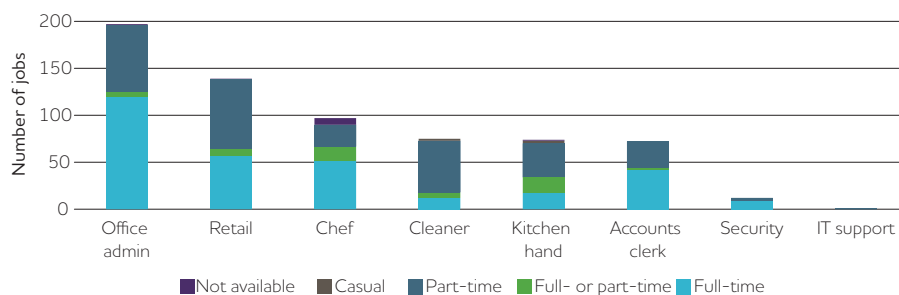
Source: experiment.

between our three candidates for each vacancy. We applied to 137 jobs with employers at establishments judged to have 50 or more workers and 530 judged to have fewer than 50 workers. Our method meant that we could not apply to some larger employers where it was not clear that the recruitment decision was being made in the local labour market and by someone with knowledge of the area. Larger employers are more likely to have formal employment practices including those intended to limit discrimination.

The majority of jobs we applied to did not offer a traditional full-time, '9am–5pm' work schedule (we included in this group other seven-, eight- or nine-hour days that started 8–10am). Five hundred and five (75.7 per cent) of the vacancies applied for offered other schedules. A large proportion were part-time, including in office admin and accounts posts (Figure 15). Others offered full-time hours but included early morning work (especially for cleaning) or evening or night work (especially for kitchen hand, chef and security jobs). This largely reflects the supply of jobs available through www.direct.gov.uk in the three local labour markets.

Wherever a job required a car and a clean driving licence we gave them to all three applicants. We also gave cars and licenses to candidates for any jobs with antisocial hours. Because we wanted to distinguish between any discrimination by employers based on 'travelability' rather than discrimination against people from areas with poor reputations, we also gave them to all applicants for jobs with late or night shifts, mainly security guards, kitchen hands, chefs and cleaners. In total, we gave cars and clean driving licences to all applicants in two-thirds of all jobs. Thus our candidates had a much higher rate of private transport mobility than the more disadvantaged young people we interviewed (Chapter 5).

Figure 15: Hours of work in jobs applied for in experiment.



Source: experiment.

Fictional applicant characteristics

We created 'personas' for each of the job types we applied to, with fictional names, addresses, dates of birth, educational and work histories and real phone numbers and email addresses, which were used as the basis of CVs and covering letters, which were then slightly tailored to individual jobs.

The personas were created to represent people who would be relatively promising candidates for jobs that required limited education and skills and clearly more promising than most or all of the young jobseekers we interviewed. The aim was to limit the number of cases in which none of our three applicants was successful, which would hinder our investigation of discrimination, and to provide a clear contrast and limiting case for more disadvantaged jobseekers, such as those we interviewed.

For each job selected for the experiment, we made three applications. All three applicants for any one job had the same gender. All had names chosen to avoid signalling minority ethnicity (see Wood *et al.*, 2009, for more discussion of this issue).

The three applications differed in terms of neighbourhood of residence. One of the three appeared to be living in each of the three local neighbourhoods selected. The applicant address, including a fictional numbered home in a real major street in the area likely to be well known, the area name and postcode, was prominently stated at the top of each CV. Educational histories on CVs indicated that candidates had attended the school most associated with their particular neighbourhood, indicating long-term residence and, as the reputations of the schools concerned varied with neighbourhood reputation, potentially acting as additional triggers for any postcode discrimination. Applicants differed slightly in age (all were aged 22 to 24), exact qualifications and work experience, and CV typeface and layout, in order to maintain as much similarity between candidates as possible without raising the suspicions of employers. Addresses in each of the three neighbourhoods were allocated randomly to the three prepared CVs and covering letters as the final stage of the process in application to every job. CVs' contents were placed on one of three CV templates with different fonts and layouts, which we endeavoured to make equally attractive (and tested on a number of advisors). Age, qualifications and work experience were rotated between CV templates at intervals throughout the experiment. This random allocation ensured that any differences in success rate between candidates living in different neighbourhoods could not be attributed to their age, the style of their CV, exact qualifications or differences in work experience.

Most other applicant characteristics were largely determined by job type, and were intended to create candidates for the various jobs who were promising but not exceptionally overqualified, which might overcome any discrimination, affect response rates or possibly appear suspicious to employers. They were very similar, if not identical, for all three candidates in one set. In 286 (42.8 per cent) of the jobs, all three applicants were male. In 57.1 per cent, all the applicants were female. All the security guard, kitchen hand and chef applicants were male, as were some of the retail applicants (depending on the kind of shop). All the cleaner, office admin and accounts clerk applicants were female, as were some of the retail applicants. This reflects the reality that in these jobs, with the exception of retail work, more than 70 per cent of employees are of one gender. The slight predominance of female applicants in the experiment overall partly reflects the availability of job types advertised by www.direct.gov.uk and partly the availability of jobs for which we could apply using our methods. A large proportion of all

security, chef and cleaning jobs and some retail jobs advertised on www.direct.gov.uk could be applied for only through a phone call or by dropping into the office.

Twenty per cent of the total applicants, mainly applicants to accounts clerk and office admin jobs, had six to ten GCSEs and two or three A levels. A small number of cases were given A levels and vocational qualifications. Of all applicants, 33.6 per cent had five to nine GCSEs and a vocational qualification relevant to the post they were applying for, usually a one-year course such as an NVQ level 1 or 2, a City and Guilds Diploma, a BTEC or an accounting qualification. These were mainly applicants for accounts clerk, office admin and chef jobs. Fifty-four per cent of applicants had five to ten GCSEs but no other qualifications. These included applicants to security, kitchen hand and cleaner posts.

All of the applicants had continual work records since they had completed education and some were given Saturday job experience before this. Thus although they were aged 22 to 24, they had between four and nine years' work experience.

Making applications

The majority of applications took the form of a CV or a CV and covering letter. We used covering letters in many cases, even if they were not explicitly demanded by employers, in order to maximise positive response.

Over 85 per cent of applications were made over the internet. We used local assistants to put the remainder of applications in the post, to achieve local postmarks. In most of these cases we avoided sending all the applications on the same day in order to reduce employer suspicion.

In most cases applications were made very rapidly after advertisements were first posted on the internet. More than half were sent within three days of the advert first appearing. This involved searching every day and responding the same or next day.

Recording the results for the fictional candidates

After sending off three matched applications to any one job, we monitored specially established email and voicemail accounts to receive employer responses. We were not able to monitor any employer responses that might have been made by post to applicants' home addresses, but employer and job seeker interviews suggested that communication by post was exceptional. As the addresses used were false ones, any employer writing to one of our candidates would have had mail returned, and could then have tried another means to get in touch, but we did not learn of any such experiences.

As noted in Chapter 4, 31 per cent of the total applications, 620 in total, resulted in responses from potential employers, mostly to our personas' email addresses and in a small number of cases to their mobile phone numbers. When we received a positive response we responded as fast as possible and in most cases on the same day, by email, to withdraw our applicants from consideration, stating that the candidates had already accepted another offer or that their circumstances had changed. Where more than one application received a positive response from employers, we varied the style and content of our responses to employers. One month after the application, we stopped monitoring for responses.

The experiment was concerned with positive responses at the first selection stage. Thus the experimental results cannot be applied directly to subsequent stages, such as interviews, or to the selection process as a whole.

Analysing the results for the fictional candidates

We explore the results for our candidates in two ways.

First, we look at results for all 2,001 applications for all 667 jobs. We examine the *proportion of applications that received a positive response* and compare positive response rates for applications with different characteristics. 'Positive response rates' can be translated into the number of applications per positive response or the notional number of applications needed to generate a positive response. This measure of employer response gives an impression of response from the point of view of candidates with a fixed set of skills and experience, going into the labour market on repeated occasions, for different jobs with different employers and facing slightly different competition each time. It is less useful for understanding variations in experiences between candidates, including potential discrimination. This is because it includes cases, which in practice form a majority of the whole, in which employers showed no preference between candidates (either rejecting them all or, less frequently, giving a positive response to all) and in which no candidate met a minimum standard (or where there was in practice no job available).

Second, we investigate cases in which *a single employer showed a preference for one or more of our three candidates over one or more of the others*, in a situation where they were in direct competition with each other for exactly the same job. Previous studies using an experimental method to test for discrimination in employment have discussed several possible methods of conceptualising discrimination and analysing results (see, for example, Riach and Rich, 2004). The key issue is how to deal with jobs in which none of the candidates received a positive response and those in which all of the candidates did. The first case suggests that none met some minimum standard, or that no appointment was actually made, and offers no sign of preference between the experimental candidates. Some researchers have interpreted these results as evidence of equal treatment between the candidates. Others, including Wood *et al.* (2009), who conducted the most recent experiment of this type in the UK, and Bovenkerk (1992), who has prepared a manual for the conduct of these tests and analysis, argue that non-response to all candidates could not be treated as positive evidence of non-discrimination by employers. In the second case, all met some minimum standard and, while all appear to have been preferred over any real candidates applying, there is no sign of preference between them.

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