Scarring due to Unemployment: Employers’ Hiring Decisions in Relation to Young People

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Introduction
The role of recruiters in the (re-)integration of individuals into the labor market has received growing academic attention over the past decades. A main interest has often been the negative outcomes resulting from experiencing early unemployment such as lower levels of well-being, lower wages and a host of other disadvantages in the labor market (“unemployment scarring”). A growing body of research applies factorial survey experiments to study the processes underlying hiring decisions of recruiters. In these studies, recruiters usually rate the hiring chances of hypothetical profiles of applicants for hypothetical jobs (e.g. Van Belle et al. 2018). However, using hypothetical jobs may reduce the internal and external validity of the results. For example, recruiters might apply different standards when evaluating applicants for hypothetical vs. real vacancies.

Research Question
Is there a difference in recruiters’ hiring decisions based on real vs. hypothetical vacancies?

Relevance & Motivation
Results may have important implications for research studying employers’ hiring decisions by means of factorial surveys:

If difference: Points to importance of using real vacancies to study hiring decisions of recruiters
If no difference: Sampling of real vacancies is costly; using hypothetical vacancies saves time

Factorial Survey Experiment

Recruiters evaluate several descriptions of hypothetical applicants (vignettes)
Within vignettes, the levels of applicants’ characteristics (factors) vary randomly
Vignettes randomly assigned to recruiters (10 vignettes per recruiter)

→ Forces recruiters to make trade-offs between several characteristics (Anspach et al. 2015)

Vignette Design

2*5*7*9 Design (see Table 1) → Fraction of 280 vignettes in 28 decks à 10 vignettes
Vignette sample & decks optimized for vignettes per recruiter)

Within vignettes, the levels of applicants’ characteristics (factors) vary randomly
Vignettes shown in form of CVs (see Figure 1)

Survey Instrument

Table 1: Experimental variables

Main Results

Average vignette ratings more positive when using hypothetical vacancies
Some differences in effects between two samples, but not significant

Data, Sample & Methods

Data

• Data from pilot study of EDYPOLU project
• Five occupational sectors in Luxembourg: Entry-level jobs
• Field phase: 29th May - 25th June 2018

Sampling

Two samples of recruiters:
(1) Sampling of real vacancies published on online-job portals (Sample RV)
(2) Sampling of vocations via public registries and yellow pages (Sample HV)

→ Vignette rating referring to real vacancy
→ Vignette rating referring to hypothetical vacancy (but similar job type)

Method

• Multilevel analysis; DV: hiring propensity (0-10)

Results I: Descriptive Analysis

Figure 2: Average vignette ratings by sample type

Note. Sample RV: n=608 vignette ratings of 81 recruiters; Sample HV: n=647 vignette ratings of 65 recruiters; (95% CIs)

Mean difference between two samples significant (p = 0.0163).

Conclusion and Next Steps

• Using real vacancies probably associated with better internal and external validity.
• Some hints for differences in recruiters’ hiring decisions by type of vignette evaluation.
• However, realized sample size in pilot study very small (interpret results with caution!).
• Second study in November 2018 to validate results with simplified vignette design (more power).

References


Table 2: Linear multilevel regressions by sample type

Note: RV, real vacancy; HV, hypothetical vacancy; all p-values are two-sided.

Table 2: Linear multilevel regressions by sample type

<table>
<thead>
<tr>
<th>Sample type</th>
<th>Constant</th>
<th>Gender (Ref.: Female)</th>
<th>Nationality (Ref.: Luxembourg)</th>
<th>Unemployment (Ref.: No unemployed)</th>
<th>Educational &amp; Work experience (Ref.: No education/ work experience)</th>
<th>UE after graduation</th>
<th>UE between jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample RV (p = 0.0163).</td>
<td>0.42***</td>
<td>-0.20***</td>
<td>0.101</td>
<td>0.190</td>
<td>-0.29**</td>
<td>0.30</td>
<td>0.08</td>
</tr>
<tr>
<td>Sample HV</td>
<td>0.42***</td>
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**Results: Differences in effects between two samples, but not significant**

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