



EUROPEAN

# POLICYBRIEF

## NEGOTIATE

Overcoming early job-insecurity in Europe

### Employers assessments of young job applicants: Findings from a comparative study

Policy Brief no. 6 - May 2017

#### INTRODUCTION

Early job insecurity among young job seekers may signal low abilities to employers and impede future employment chances. A main goal of NEGOTIATE is to better understand how early employment instability and unemployment affect the careers of young job seekers from the perspective of employers. European countries have been hit differently by the recent economic crisis and the proportion of young people in insecure job situations varies greatly. Our study provides insights into recruiters' evaluations of young job applicants in different economic and policy contexts across Europe and will help to gain knowledge about some of the mechanisms driving cross-country variations in the individual consequences of early job insecurity. In a survey distributed to recruiters, we considered different markers of early job insecurity, such as unemployment, work experience in deskilling jobs, and job hopping.

#### DATA AND METHODS USED

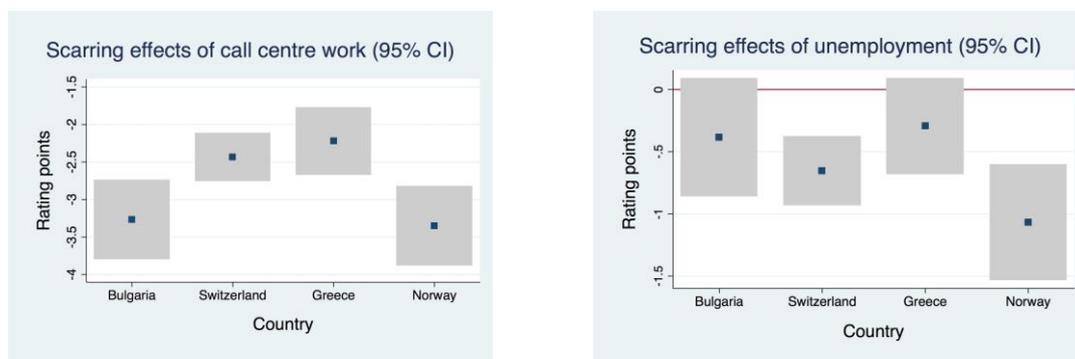
The international recruiter survey has been implemented in five occupational fields (manufacturing, finance, gastronomy, health, information technology) to represent heterogeneous job characteristics with respect to skill level, gender share, innovation dependency, and turnover rates. Four countries that vary in their economic situation (e.g., youth unemployment) and in their educational and labour market policies (e.g., relevance of vocational education and training, employment regulation) were selected: Bulgaria, Greece,

Norway, and Switzerland. In order to gauge the impact of multiple factors when young people apply for jobs, an innovative employer-sided online-survey with an integrated vignette experiment and choice task was employed. The sample comprises real vacancies and real recruiters in Bulgaria, Greece, Norway and German-speaking Switzerland. Data has been collected from May to June 2016. 2885 recruiters responded to the survey and assessed 20,600 CVs of fictive job applicants.

## MAIN FINDINGS

### Scarring of early job insecurity: Having worked in a deskilling job vs. unemployment

While the impact of unemployment on later employment careers has been studied extensively, little is known about persisting consequences – the so called scarring effects – of having worked in deskilling jobs. Working in any job may be expected to be deskilling in that previously acquired qualifications are no longer used and further trained. We used the example of having worked in a call centre for an extended period of time to gauge deskilling job experience that might be sanctioned in the recruitment process for skilled jobs.

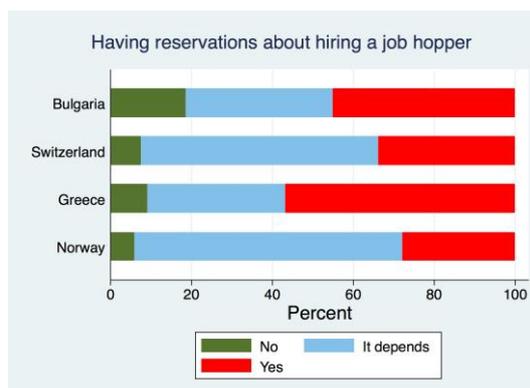
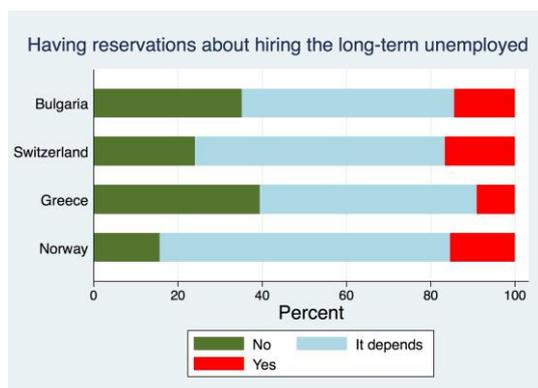


Our results obtained from the factorial survey experiment of our study indeed suggest that recruiters penalize job applicants with extensive work experience in deskilling jobs. In all four countries, their chances to be considered for an advertised skilled position are significantly lower than those of their skilled competitors. Negative effects for call centre work are stronger in Norway and Bulgaria than in Greece and Switzerland. Unemployment bears pronouncedly negative consequence in countries with relatively low unemployment rates (Switzerland and Norway), although unemployment scarring seems to be moderate compared to having worked in deskilling jobs.

The stronger unemployment scarring in Norway compared to Switzerland also indicates that when national unemployment rates are at a comparable level, the strictness of employment protection legislation (stricter in Norway than Switzerland) may play a determining role in recruiters' decision whether to employ applicants who have experienced early job insecurity. Furthermore, in Switzerland upper secondary vocational degree holders are more affected by unemployment scarring than higher education graduates. While VET graduates in countries with a pronounced dual VET system enjoy in general high employability – since employers' trust in VET credentials is high – they are the first ones to be penalised if they have experienced unemployment.

### The risk of job hopping for one's professional career

Recruiters have been asked if they would have some reservations to hire a person who has been unemployed during the last two years, or to hire a person who has been changing jobs frequently, the so called job hopper. Job hopping was considered considerably more problematic compared to unemployment in all four countries. The difference between the two forms of employment insecurity is however most striking in Greece, where 57% of recruiters show unconditional reservations towards job hoppers but only 9% towards the unemployed. Hence, job hopping turns out to be a bigger issue for recruiters than unemployment.



### What activities during unemployment do recruiters reward or penalise?

In addition to our experiment, we have asked recruiters directly about the importance of a series of activities during non-employment when they assess applicants for skilled jobs. Recruiters value most when job applicants have enrolled in occupation specific further education during non-employment spells. Having enrolled in a computer course, and to a lesser degree in a language course, is also appreciated in all four countries. In contrast, giving no explanation about gaps in one's CV is assessed strongly negative, especially in Norway and Switzerland. Recruiters seem to disagree about the relevance of some other activities across countries. For example, both maternity/paternal leave and having travelled/holiday are more critically assessed in Bulgaria and Greece than in Norway and Switzerland. Recruiters in the latter two countries are in turn much more vigilant if job applicants took some time out due to health reasons. Finally, recruiters in Switzerland, and to some extent in Norway, assess a job applicant's enrolment in an employment scheme for the unemployed (ALMP) negatively, whereas such measures are more positively evaluated in Greece. The findings show that job applicants have some options to convince employers when they use periods of non-employment for certain activities, or when they write up their CV.

## POLICY IMPLICATIONS AND RECOMMENDATIONS

Our results suggest to distinguish between different forms of early job insecurity. A sole focus on unemployment is not sufficient to fully understand how early job insecurity affects labour market outcomes. Other forms of early employment insecurities such as work in deskilling jobs and job hopping can be detrimental to a young worker's professional career. Indeed, our findings demonstrate that scarring effects resulting from various early job insecurities are not necessarily driven by the same institutional forces.

The finding that unemployment scarring is more pronounced in economically well-performing countries with a relatively low youth unemployment rate such as Switzerland and especially Norway exhort to be cautious with dramatizing unemployment scarring in countries that are especially affected by youth unemployment (Bulgaria and especially Greece), at least as far as employer-sided scarring effects are concerned.

Our evidence for strong negative consequences associated with work in deskilling jobs contributes to debates about labour market activation policies. Unemployment measures aiming at a quick labour market reintegration of the young unemployed without the consideration of job quality may not be a sustainable solution, since deskilling jobs may be dead-end jobs that do not help increase or, worse, may even decrease their employability.

## RESEARCH PARAMETERS

NEGOTIATE is a three year EU funded project (EU contribution: € 2,476,609) exploring early job insecurity in Europe. It is organised around nine complementary work packages structured over three stages.

**Stage 1** consisted of an assessment of early job insecurity and youth unemployment as a theoretical challenge, leading to a refinement of the overarching analytical framework (Work Package 2). The purpose here has been to ensure that the implementation of subsequent research tasks is underpinned by a common analytical framework that is shared by all consortium members, i.e., across disciplinary and country boundaries.

As part of stage 1, we have also reviewed existing empirical work with a view to operationalising new tools for capturing the drivers and consequences of early job insecurity.

**Stage 2** represents the main stage of the project. Data have been collected and interpreted according to thematically linked but analytically separable questions and foci (Work Packages 3-7). The project relies on a combination of primary and secondary data.

**Stage 3**, the final project stage, synthesises the findings across the thematic work packages (WP3-8). We revisit the overarching questions posed at the start of the project (Work Package 2) and assess policy with the aim of developing policy recommendations (Work Package 8); this will build on the new comparative insights gained through the data analyses from Stage 2.

The formulation of policy recommendations will take place in close cooperation with stakeholder representatives, who are included in the development of the project from its outset, thereby maximising its intended impact.

By involving stakeholders as well as young people themselves in this process, we ensure that the questions most relevant to the policy community in each country and at an EU level will be addressed.

Research outputs from the project will be presented in a series of Policy Briefs, conference papers, peer-reviewed journal articles and two edited books.

More detailed accounts of this work are available on the project website: [www.negotiate-research.eu](http://www.negotiate-research.eu)

## PROJECT IDENTITY

**PROJECT NAME** NEGOTIATE – Negotiating early job-insecurity and labour market exclusion in Europe

**COORDINATOR** HiOA – NOVA Norwegian Social Research  
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Department of Labour and Social Policy, Poznan University of Economics (PUE), Poland

Institute for the Study of Societies and Knowledge (ISSK), Bulgaria

SOLIDAR Foundation, Belgium

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**DURATION**

01 March 2015 – 28 February 2018

**BUDGET**

EU contribution: € 2,476,609. Total budget: € 2,919,233

**WEBSITE**

[www.negotiate-research.eu](http://www.negotiate-research.eu)

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