



With a lot of help from my friends: How do migrants use social networks to access jobs?

Understanding how individuals search and obtain jobs is important for both employers and policymakers. While job seekers typically use both formal and informal channels, the methods used appear to be relevant in whether or not they are successful in their job hunt. Focusing on immigrants in the UK, this briefing examines the extent to which individuals who rely on their social networks to look for jobs are able to secure employment.

Social ties are important in determining human behaviour and economic outcomes. In particular, social networks – as represented by friends, relatives and acquaintances – play an important role in the labour market, promoting information sharing about job opportunities.

Informal job search methods such as the use of personal contacts have the advantage of being less costly and may provide more reliable information concerning jobs in comparison with other formal methods. This is particularly the case for immigrants, for whom networks are known to facilitate the economic and social integration into the host country by providing social support and useful information towards finding employment. In fact, social networks play a dual role as a channel for information and a substitute for specific skills needed in the host country – such as the language or the knowledge of institutions – which immigrants, and especially those who have recently arrived, might lack.

Methodology

Using data from the UK Quarterly Labour Force Survey (QLFS), spanning from 1992 to 2010, we examine the determinants of social network use. Differently from previous studies, we do not focus only on the main method of job search but also on social networks when used as a method of search among many alternatives. One main focus is to explore the relationship between social network use and years in the UK. If relying on family and friends is a way of compensating for the lack of language or other country specific skills, one would expect immigrants' network use to decline over time. On the other hand, network use might increase over the years if immigrants cultivate social ties through spending more time in the UK. We also explore the role of formal education in determining whether formal or informal methods are more likely to be chosen.



We compare the social network effects on labour market outcomes in terms of job finding rates between immigrants and natives, distinguishing between different immigrant groups. In practice, we investigate whether differences in what determines the probability of finding a job through the network exist between immigrant groups and the White British-born, and within different groups of immigrants.

Key Findings

Our results indicate that immigrants are more likely to rely on using social networks as their main job search method than White British-born. However, when considering the use of personal contacts as one of many methods, non-White immigrants are as likely as natives to obtain job information from their personal networks.

Remarkably, in terms of job finding rates, immigrants are as likely as White British-born to find employment through the social network. However, there is significant heterogeneity among different immigrant groups in terms of the incidence of social network use, and its success rate in securing employment.

Moreover, our findings show that the less educated are more likely to obtain employment through personal contacts.

Finally, we find evidence of a non-systematic relationship between years in the UK and social networks use. A declining pattern over time emerges for some groups (e.g., South Asian immigrants), which is compatible with the hypothesis that these groups acquire UK labour market-specific skills over time. For other groups (e.g., Eastern and Western Europeans), we find an opposite pattern, suggesting that these groups might invest more in establishing social contacts as they prolong their stay in the UK.

Conclusions

Our findings indicate a great heterogeneity among immigrant groups in social network use and job search success through network use. Moreover, networks seem to be relied on for job search, not only by immigrants but also by natives. Furthermore, the use of social networks in the labour market is not a sufficient indication of a lack of integration, as some immigrant groups rely more on their personal contacts the longer they stay in the UK.

Overall, our results shed light on the important role played by social networks in the labour market, underscoring the need to further understand the impact of networks on the quality and payoff of jobs found through those personal channels, in order to assess the efficiency of those informal methods relative to more formal and potentially more expensive ones.

About the speaker:

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