

The Job Finding Methods of Young People in Australia: An Analysis of the *Longitudinal Surveys of Australian Youth*, Year 9 (1995) Sample

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EXECUTIVE SUMMARY

It is widely recognised that recent changes in occupational structure and the declining demand in the labour market for young people, have made it more difficult for school-leavers to find employment. In response to this, policy makers have focused attention on firstly identifying and then removing barriers to school-leavers finding work. The methods used by school-leavers to find employment are the primary concern of this report.

Why is the method used by young people to find employment important?

The proportion of young people entering full-time employment directly from school has declined over the years as a higher proportion of young people elect to continue studying full-time at a tertiary level. However, a significant proportion of young people leave school in order to find employment. Not all of these young people make smooth school-to-work transitions and youth unemployment remains high. In order to improve school-to-work transitions, it is important to understand how young people obtain employment and to assess the value of particular job-finding strategies.

Data and method

This paper uses data gathered from a panel survey of youth who were first surveyed as Year 9 students in 1995 as part of the *Longitudinal Surveys of Australian Youth* (LSAY). The data comes from self-completed questionnaires administered in 1995 and 1996 and telephone interviews conducted in each year from 1997 to 2000. At the time of the 2000 data collection, most of the sample had left school and were either in further study or in the labour market. This analysis focuses on early labour market entrants — those school-leavers who went directly from secondary school into the labour force, either into work or in search of work, rather than on to further studies.

Main findings

Three sets of analyses were completed. The first set explored the job search strategies employed by the young people in the sample. The second set investigated the method used to actually obtain employment, while the third explored the relationship between the method used to obtain employment and the quality of employment obtained on six measures of job quality.

The analysis shows: the most common job-search methods used by the young people were:

1. checking for employment advertisements in newspapers;
2. contacting an employer directly;
3. asking friends or relatives; and
4. registering with the Commonwealth Employment Agency (CES/Centrelink).

Most employment was obtained through informal methods, including obtaining work through friends and relatives (36.6 - 32.4 per cent) or approaching an employer (34.4 - 20.0 per cent). In the year 2000, just over 20 per cent of jobs obtained by school-leavers in the sample were obtained in the open labour market, although it appears advertised vacancies increase in importance as a means of finding jobs for the cohort over time. Informal channels play a greater role in allocating part-time employment. Formal channels of advertisements and the public employment agency are relatively more important for the full-time labour market.

To explore the possibility that the students' backgrounds influenced their choice of job-search strategy, several models of job-seeking behaviour were developed. However, few distinctive patterns were identified. In contrast, differences between groups emerge when it comes to *obtaining* employment. Males are significantly more likely to gain their job through friends and relatives, while females are far more likely to obtain theirs through responding to advertisements or through the CES/Centrelink. Young people who had left home, relative to those at home with at least one parent working, were more likely to use the CES/Centrelink.

There is evidence to suggest that use of the CES/Centrelink is less effectual in helping young school-leavers find work. The use of informal job search methods appears particularly effective in generating employment opportunities and those who obtained employment by approaching friends and relatives or employers directly were more likely to be in work one year later, relative to those who used other methods to obtain employment. Moreover, jobs gained through informal methods were found to offer higher hourly wages (reflecting, in part, the tendency for these jobs to be part-time). However, the advantages of informal methods of obtaining employment did not appear to extend beyond the higher wages earned and they are associated with lower levels of satisfaction, both with the type of work done and with the training and promotional opportunities offered. Such methods of obtaining work are also less likely to lead to the type of employment one would want as a career.

In sum, informal methods appear to provide young people (particularly males) with employment opportunities more readily and at good hourly wage rates, but the participants perceive these jobs to lack the career path, training and promotional opportunities necessary for on