MATCHING DYNAMICS AS EXPLAINED BY RECRUITMENT CHANNELS

Guillemette DE LARQUIER
Géraldine RIEUCAU

ABSTRACT

When a firm looking to hire staff goes to the labour market it has recourse to one or more recruitment channels. According to standard economic analyses, the diversity of recruitment channels partly arises from the various resources the market actors command : for example, small businesses draw on personal relations that are free-of-charge whereas major firms have the financial resources to pay for head-hunters. In such a framework, the homogeneous operation of the labour market and the homogeneous character of the channels are not called into question. Recruitment channels may be compared against the same yardstick, especially in terms of the speed with which they achieve matches between unemployed people and vacancies [Sabatier, 2003; De Varo, 2005]. Ultimately recruitment channels all do the same thing more or less efficiently, namely they convey information about the existence and quality of supply and demand to be matched, by specializing in job descriptions and job applications.

The argument defended here, based on 'the economics of convention', is that channels produce different matches because they operate differently. In order to reduce uncertainty about the quality of matching, channels rely on 'investment in forms' [Thévenot, 1984]. The boundaries of the segmented labour market coincide with the boundaries of the labour supply that the recruitment channel can reach and it is described by the type of information the channel transmits. The first investment we identify corresponds to the boundaries of the labour market (segment) where a well-defined supply of and demand for labour come together. The second investment corresponds to the format that information takes on if it is to be understood by both sides of the market. The diversity of investment in forms that stabilizes the process of interactions via channels consequently induces a multiplicity of labour markets with different matching dynamics.

We develop this argument by drawing on a qualitative survey of recruitment practices in four service sectors (banking, computing, catering, and retailing [Larquier and Rieucau, 2014]). We describe the four matching processes that arise from them : (1) The standard market channels bring together vacancies and candidates on stabilized, even hard-and-fast criteria such as diploma and experience. In these cases, the channels have tools that can encode, process and disseminate information over a mass of offers and applications. (2) When firms resort to an institutional intermediary to solve their recruiting difficulties, this requires

shaping a labour supply either by education and training or by redefining expectations with respect to candidates in connection with the professional life in the field. In such a matching dynamic, resort to a channel necessarily takes the form of a partnership, of mounting an operation that takes time and may involve various types of actors (firms, public-sector intermediaries, local authorities, training centres). (3) When firms rely on a neighbourhood market, the chances of matching depend on the trust placed in those making recommendations and the absence of 'quality' proximity networks thwarts any matching. In this case, there is no professional or experienced intermediary; anyone can help in making a match. (4) When the firm is looking to a familiar professional market, the question of trust in the person making the recommendation does not arise as in the previous instance. Here the chances of matching depend on a personalized and professional language that is shared by the recruitment partners. In this last case, it is the professionals themselves who are the relevant intermediaries for matching. Recognizing the specificity of matching processes is useful to better understand labour markets inequalities.

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Guillemette de Larquier - EconomiX, Université Paris Ouest Nanterre la Défense et Centre d'études de l'emploi, France | larquier@u-paris10.fr

Géraldine Rieucau - Laboratoire d'économie dionysien, Université Paris 8 St-Denis et Centre d'études de l'emploi, France | g.rieucau@gmail.com