

Determinants and Effectiveness of Job Search Channels – The Role of Personality

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Abstract

Social capital – like physical and human capital – is expected to improve individual outcomes and to facilitate activities (Coleman, 1988), in this case job search. Personal contacts could, therefore, serve as a superior *informal* means in the job search or recruitment process for both sides of the labour market compared to the so-called *formal* channels (e.g. printed or online adverts, employment agencies). However, previous research has found mixed results regarding the post-hire outcomes (especially wages) of job search via social capital. Another growing stream of the literature analyses how individual personality affects labour market outcomes. Hence, this paper contributes to the existing literature by combining these distinct streams of research to analyse how personality traits moderate the relationship between job search channels and post-hire outcomes (wages, job satisfaction).

The data for this study are drawn from the German Socio-Economic Panel. For this paper, data 1,868 job changes between 2005 and 2011 are used. The empirical analysis can be divided into three steps: Firstly, it is analysed how personality traits and source choice are related. Secondly, post-hire outcomes of job search via different information channels are analysed while controlling for differences in personality. Furthermore, these two analyses are combined by using an two-stage approach proposed by Bourguignon et al. (2007) to implement the selectivity bias in the estimation of wage and job satisfaction regressions.

The findings implicate that personality traits are an important factor in determining search channel selection. In the two-stage estimation, neither wages nor job satisfaction are correlated with recruitment channels. However, (internal) locus of control is positively correlated with wages and job satisfaction, whereas openness and agreeableness are positively related to job satisfaction only. The findings implicate, that especially locus of control serves as an relevant personality measure to investigate individual behaviour.

References

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