

# 'Word of mouth' jobs elude ethnic migrants: study

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University of Melbourne research has found a lack of social networks - and not necessarily racism or poor qualifications - is making life tough for ethnically diverse job seekers.

The study, *The Ethnic Penalty: Immigration, Education and the Labour Market*, by Dr Reza Hasmath, examined why ethnic minorities and their children struggle to obtain high-paying employment, despite often having a more advanced formal education than the wider population.

Dr Hasmath, from the University's School of Social and Political Science, said many people learn about work opportunities through 'word of mouth'.

"Two-thirds of all job openings are found through social networks," he said.

"This means a person's ability to obtain job information is tied to the diversity of their acquaintances and friends.

"But ethnic minorities' personal contacts tend to come from a narrower range of occupations. As such, they receive less job opening information and are steered towards a smaller group of job opportunities.

"This sets the stage for a continued ethnic penalty."

The research also found ethnic minorities can suffer from a wider

breakdown of trust between their community and the dominant ethnic group.

“[Job seekers](#) and employers must establish a minimal level of trust in each other before they can engage in a working relationship,” Dr Hasmath said.

“It is not far fetched to suggest that the decline in trust we are seeing between minorities and non-minorities reduces the chances for ethnic minorities to secure high wage [jobs](#)”.

Dr Hasmath said government intervention could be necessary to level the playing field.

“Public sector employers must be encouraged to strive for employment equity, and there should be real repercussions if the goal is not met,” he said.

“And governments at all levels could provide tax incentives to promote employment equity in the private sector.

“We have a tendency to see this as an equity issue. While there are certainly merits to this, when we think about it from an investment perspective we can start to see how alarming this situation can be for Australia’s future economic success.”

Provided by University of Melbourne

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