

Study: Internet perpetuates job market inequality

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Recent research finds the internet is giving both employers and job seekers access to more information, but has not made the hiring process more meritocratic. Instead, lower-wage jobs have become "black holes," with intense competition for positions, while many higher-wage jobs are going to targeted candidates and are open to only limited competition.

"In theory, the internet gives job seekers access to a wider range of job opportunities than was available previously, and also gives organizations access to a much larger pool of job candidates," says Steve McDonald, lead author of a paper on the [work](#) and a professor of sociology at North Carolina State University. "We wanted to see how the internet was affecting the hiring process in the real world. What we found is that access to information has not led to access to opportunity for many people."

For this study, researchers interviewed 61 human resources (HR) professionals to learn how their organizations used online tools to advertise job openings and recruit candidates. The study participants came from the public and private sectors across a range of industries, including a handful who were themselves seeking new employment.

"We found that the [internet](#) has led to a sharp bifurcation of the [job market](#), split between lower-skill, lower-wage jobs and higher-wage, often managerial, positions," McDonald says.

"Lower-wage jobs are often advertised on large job sites, such as Monster.com," says Annika Wilcox, co-author of the paper and a Ph.D. student at NC State. "This gives the jobs good visibility, and results in hundreds or thousands of applicants for many of the positions. This makes it hard for any individual job seeker to find employment, and poses challenges for the HR professionals tasked with sorting through a flood of applications.

"Some of the study participants referred to this sort of job announcement as a 'black hole,' because applicants are unlikely to hear anything after they submit their applications."

At the other end of the spectrum are high-wage positions, often calling for specific, narrowly defined sets of skills. Many study participants

referred to job candidates for these positions as "purple squirrels," because it is so difficult to find candidates who meet all of the relevant criteria.

"These positions are often posted on big job sites, but there is a bias against [candidates](#) who actually apply for those jobs," McDonald says. "Instead, HR professionals use sites like LinkedIn to seek out and recruit 'purple squirrels' who are currently employed and not actively seeking new positions."

"This work highlights the fact that the labor market is an uneven playing field," Wilcox says. "If you're in the black hole job market, it's hard to find work. If you are trying to advance in your career, applying for higher-wage positions makes it less likely that you'll get the job. And if you are already in a higher-wage [position](#), you are more likely to be approached about new opportunities.

"Taken collectively, this shows us how difficult it is for people to work their way out of the low-income [labor market](#)," Wilcox says.

"There's this idea out there that because there are a lot of [jobs](#) online, anyone who is motivated can find work—but that's not always the case," McDonald says. "This is particularly worth noting in the context of debates about whether an individual's access to health care or food-assistance programs should hinge on work requirements."

"It's not simply the number of online job postings that matters," says Amanda Damarin, co-author of the paper and an associate professor at Georgia State University. "It's how employers use those postings versus other recruiting tools."

The paper, "Black Holes and Purple Squirrels: A Tale of Two Online Labor Markets," is published in *Research in the Sociology of Work*:

Labor in the Digital Age.

More information: Steve McDonald et al. Chapter 4 Black Holes and Purple Squirrels: A Tale of Two Online Labor Markets, *Work and Labor in the Digital Age* (2019). [DOI: 10.1108/S0277-283320190000033006](https://doi.org/10.1108/S0277-283320190000033006)

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