



Short Report

Employers' hiring decisions in relation to young people in Luxembourg (EDYPOLU)

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Background

In this report, we present a selection of preliminary descriptive results from the EDYPOLU research project funded by the University of Luxembourg (2017-2021). The research project examines the labour market for young people in Luxembourg with an interest in operational staffing needs, general human resource requirements and selection processes of recruiters. The main objective of the project is to identify possible obstacles for a successful entry into the labor market for young job seekers in Luxembourg by studying the general mechanisms in recruiters' evaluation of young job candidates. To this end, we conducted an online survey among recruiters working in different occupational fields in Luxembourg between November 2018 and January 2019. A pilot study was conducted in spring 2018.

The EDYPOLU recruiter survey builds on the Horizon 2020 project NEGOTIATE (<https://negotiate-research.eu/>). In the context of NEGOTIATE, a recruiter survey was conducted in four countries: Bulgaria, Greece, Norway, and Switzerland. EDYPOLU surveys a number of topics that have also been examined in NEGOTIATE. This makes it possible to draw some comparisons between the results of both studies.

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Recruiter survey

Sampling and data collection

The recruiter survey covers five occupational fields: manufacturing (industrial mechanics), finance (financial brokers and insurance representatives), catering (waiter/waitress), nursing (nursing professionals, personal care workers), and information technology (IT) specialists (e.g. system administrators). These occupational fields were selected in order to achieve a heterogeneous sample of jobs regarding skill level, share of female and male workers, and innovation dependency. This allows us to examine how the requirements to enter the labor market differ between job characteristics and occupations.

In each occupational field, real vacancies were sampled from different online job portals (e.g. movijob.lu, indeed.lu, etc.) based on pre-defined categories regarding job types. Since the focus of this project lies on young labour market entrants, only vacancies for entry-level jobs that are located in Luxembourg were considered (e.g. max. five years of work experience required). The vacancies were sampled manually as well as with the help of a computer program. Together with the vacancies, we collected the contact information of the person responsible for filling the respective position. In cases where no contact information was provided in the job advertisements, we called the companies and asked for the contact information of the person responsible for filling the vacancy. Accordingly, our sample consists of individuals who are involved in hiring decisions in their respective companies (“recruiters”). This does not necessarily mean that they have professional training in human resources. In addition, recruiters were sampled via other sources, such as yellow pages, to achieve a higher sample size.

The recruiters were contacted via email and were asked to take part in an online survey. For the main study, we received the support of the Luxembourgish employment agency ADEM (Agence pour le développement de l'emploi) to contact recruiters in the five industries.

The survey is subject to general data protection regulations currently implemented in Luxembourg, which are in line with the European General Data Protection Regulation (GDPR).

Pilot study

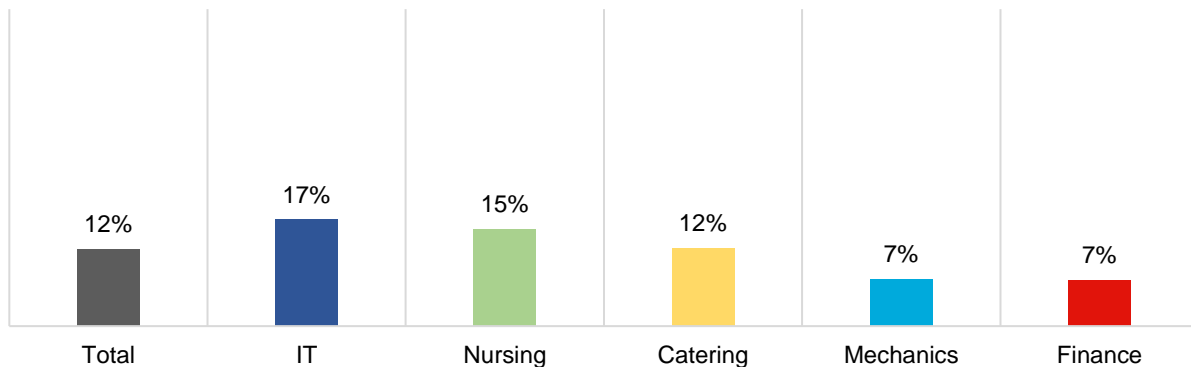
In spring 2018, we conducted a pilot study of the recruiter survey. The online survey consisted of several sections such as, for example, questions about the respective jobs and about important selection criteria when searching for personnel. We also collected information about the recruiters (e.g. gender, whether they have human resource training). The survey included an experimental study, in which recruiters were asked to rate ten hypothetical CV in a simulated hiring situation. The hypothetical CV varied systematically in the values of different applicant characteristics: gender, training (occupation and educational level), work experience, and nationality. Some of the CV showed periods of unemployment.

In cases where a real vacancy was available, the questions in the online survey all referred to this vacancy. In the other cases, recruiters were asked at the beginning of the survey whether they are responsible for filling vacancies for job types that meet our requirements. If they did, the questions all referred to this type of job. If they did not, the respondents were excluded from the

survey. The recruiters could choose between three languages to participate in the online survey: English, French, and German. Data was collected between May and June 2018.

For the pilot study, 1,107 recruiters across the five occupational sectors were invited to take part in the online survey, out of which 128 completed the survey. The following graph shows the response rates for the whole sample and for each occupational field.

Response rates by occupational field: pilot study

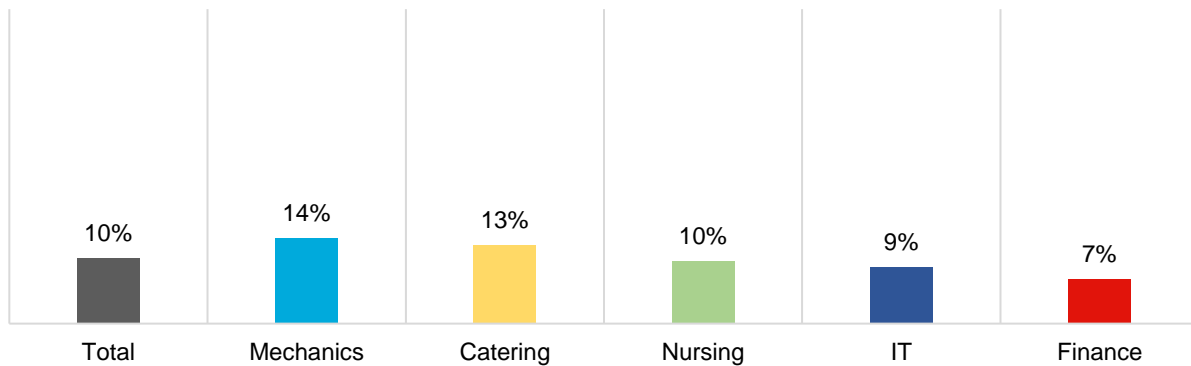


Main study

Only small changes were made to the recruiter survey after conducting the pilot study. Most changes refer to the experimental study integrated in the survey. Instead of ten, recruiters were asked to rate six hypothetical CV. These CV varied experimentally in three applicant characteristics: gender, timing of unemployment spells, and nationality. All CV indicated sector-specific work experience, educational attainment and vocational degrees. As in the pilot study, recruiters could choose between English, French, and German to participate in the survey. Data was collected between November 2018 and January 2019.

For the main study, a total number of 1,342 recruiters were invited, out of which 140 completed the online questionnaire in full. The following graph shows the response rates by occupational field. The overall response rate is slightly lower compared to the pilot study. We also observe differences in response rates between the two studies within the occupations.

Response rates by occupational field: main study



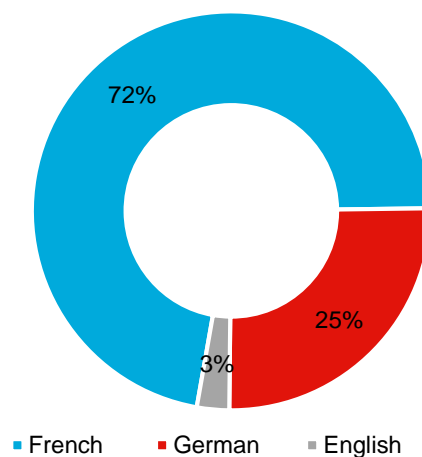
Results

In this section, we present some descriptive statistics on characteristics of the sampled jobs, criteria for assessing job applicants, and the recruiters. We will refer to the whole sample when reporting the results, but will address differences between the occupational fields where these might be of interest. If appropriate, we will also address differences between the results for Luxembourg and the four NEGOTIATE-countries. To answer the following questions, we combined the data from the pilot and main study. This resulted in a sample of 268 recruiters.

Which language did the recruiters prefer?

The majority of recruiters selected French as their preferred language, followed by German.

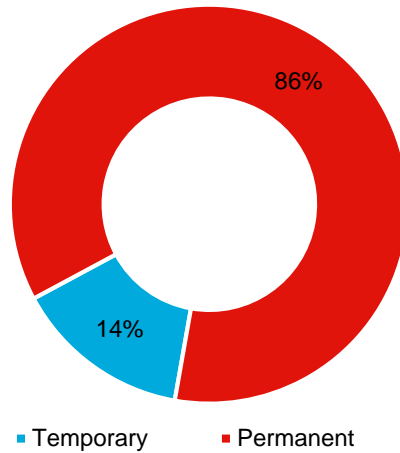
Share of recruiters by language chosen for participation



What are typical job characteristics?

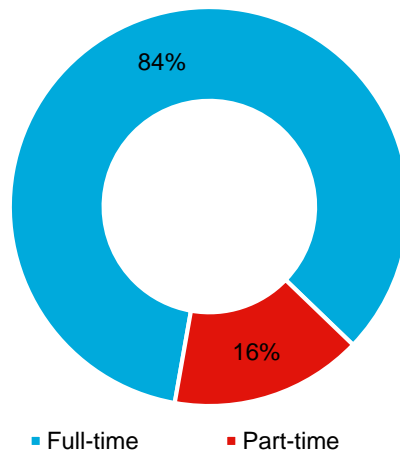
The selected occupations vary in terms of working conditions. In each occupational field, recruiters reported on the type of the respective job.

Share of temporary and permanent positions



On average, the majority of job offers are for permanent positions. This is the case in all occupational fields. The lowest share of permanent positions is in the field of catering with 75%.

Share of part-time and full-time positions

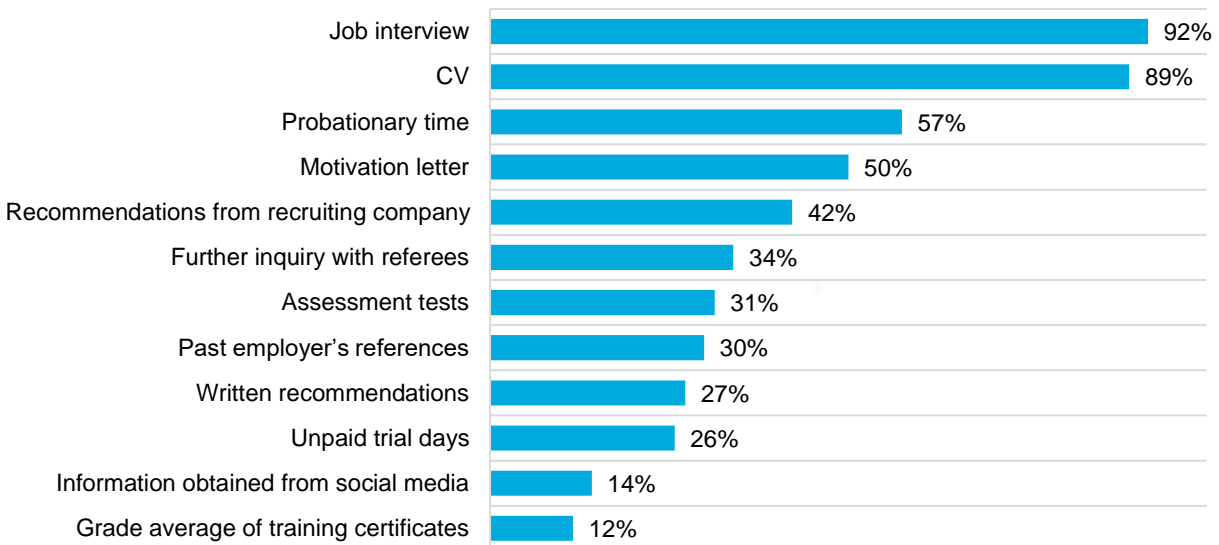


Across all occupational fields, the majority of jobs are full-time positions. Most part-time jobs can be found in the field of nursing.

What information is relevant when selecting job applicants?

In hiring processes, recruiters have to decide which applicant fits the requirements of a given job best. Recruiters use different strategies to select a suitable candidate from the pool of applicants. We asked on which basis applicants are selected and which criteria are used to assess the overall suitability of applicants.

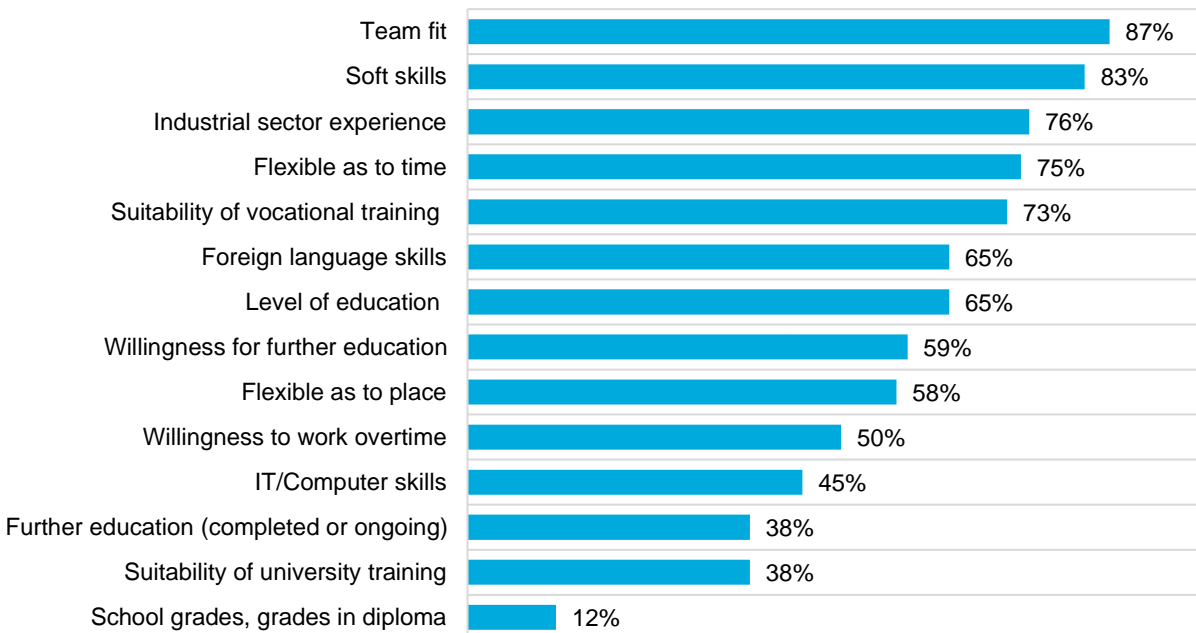
Instruments used for assessing applicants



Overall, the job interview and the CV are the most important instruments for recruiters to determine the suitability of applicants. Over half of the recruiters further indicated that the probationary time and motivation letter are relevant during the hiring process. Less important for recruiters' hiring decisions are social media platforms and grade averages.

While the job interview, the CV, probationary time and the motivation letter rank high in all five occupations, we also observe some differences between the occupational fields. 58% of recruiters in IT indicated that assessment tests are used during the hiring process. Assessment tests are, however, less important in the other occupations. Moreover, 64 % of recruiters in finance and 45% of recruiters in the IT sector consult with referees during decision-making processes. Only about a third of the recruiters in catering, nursing, and mechanics form their decisions based on referees. We also find occupational differences regarding the use of unpaid trial days during the hiring process. Unpaid trial days are most common in the field of nursing (58% of recruiters) but are hardly used in the other four occupational fields.

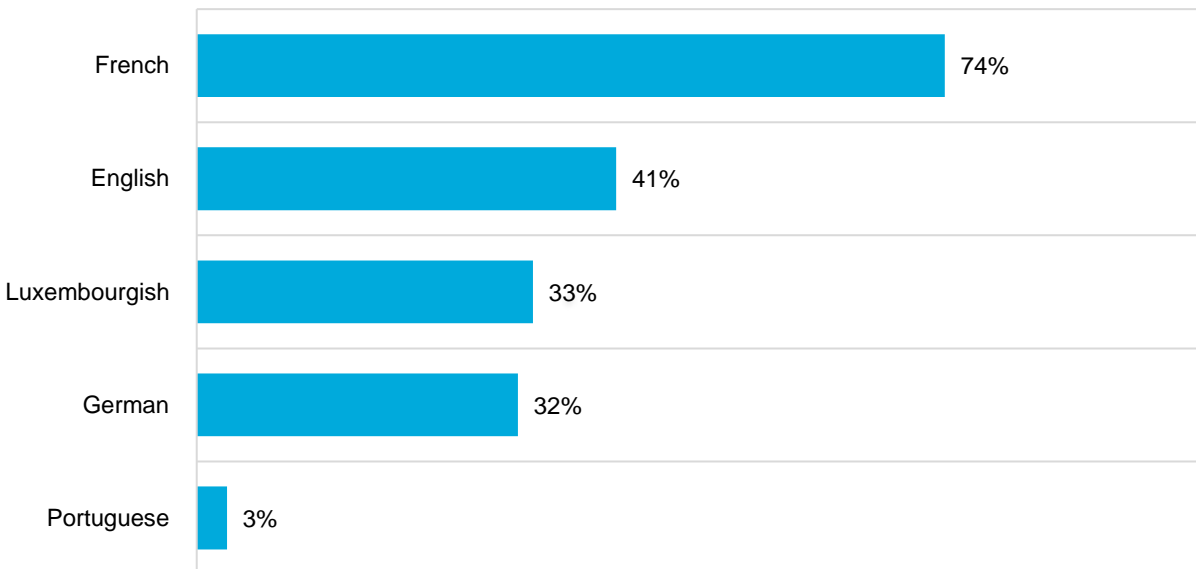
Criteria considered as important for selecting applicants



Overall, the most important criteria for the assessment of applicants include team fit, social skills, sector-specific work experience, flexibility as to time, and suitability of vocational training. Foreign language skills and the level of education also rank high: about two thirds of recruiters consider these criteria important.

The suitability of vocational training is particularly important in the field of nursing (95%) and mechanics (82%), followed by IT jobs (72%). The level of education is also an important criterion in these sectors, especially in the field of mechanics (85%) and nursing (84%). Suitability of training certificates and level of education are of minor significance in catering. Flexibility as to time is the most important selection criteria for assessing applicants in catering (92%). It also ranks high in nursing (82%) but is less important in other occupations. There are also slight differences with regard to foreign language skills. Foreign language skills are mostly required in finance (68%) and in catering (51%). In the field of nursing, foreign language skills are important in only 23% of all cases. Grades appear to be of little significance for the overall assessment of job applicants in all five occupational fields.

Share of recruiters requiring a good level of language proficiency by language

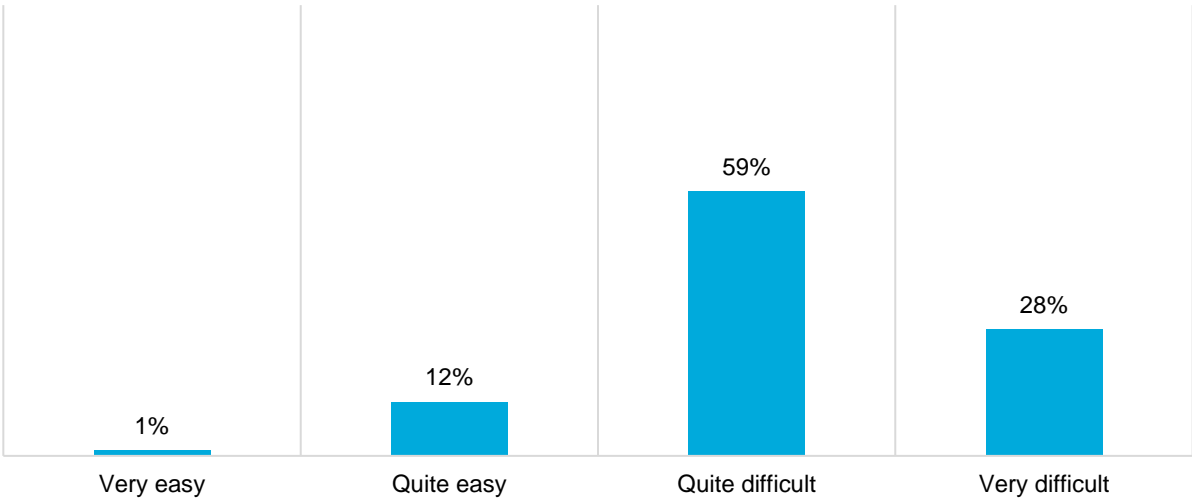


In addition, we asked recruiters which specific language skills were at least required for the respective job. For five of the most common languages in Luxembourg, the graph above shows the proportion of recruiters who have indicated that at least a *good proficiency level* in the respective language is required – defined as being able to communicate fairly fluently. Across all occupational fields, French is by far the most important language. There are, however, some differences between the five occupational fields.

French ranks at the top in the field of mechanics (79%), IT (78%), and catering (77%). French is the second most important language in nursing (73%) and finance (48%). At least a good proficiency level in English is mostly required in the field of finance (92%), followed by IT (72%). However, it is hardly relevant for jobs as mechanics and nursing professionals (each 15%). A good or very good level in Luxembourgish is particularly important in the field of nursing (95% of the cases), where German is also an important language (61%). A good level in German is also required in the field of finance (36%) and mechanics (33%) but less so in the remaining occupational fields. A good proficiency level in Portuguese is in none of the selected occupational fields relevant, according to the recruiters.

Overall, about two thirds of recruiters indicated that at least basic knowledge of three out of these five languages is required. For almost one third of recruiters basic knowledge in two out of these five languages seems to be sufficient.

Share of recruiters by difficulty of finding a suitable job candidate



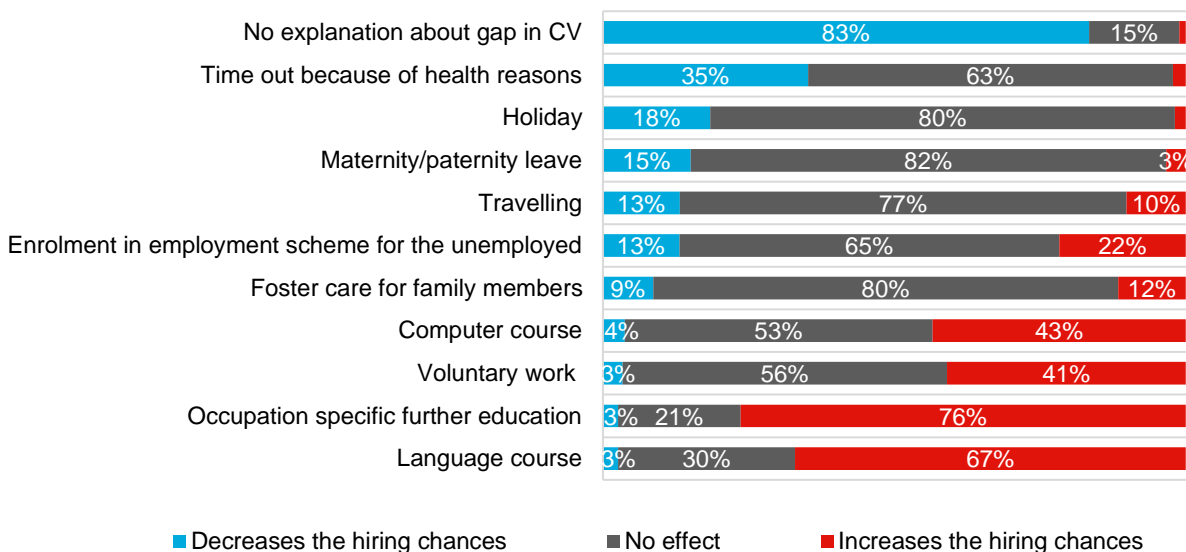
Finally, recruiters were asked how difficult it is to find a suitable candidate for the advertised job or a similar position. The vast majority of recruiters indicated that it had been difficult to find someone who would fit the requirements well. The greatest difficulties were reported in recruiting IT specialists (97%) and waiters/waitresses (91%). Yet, in all occupational fields over 70% of recruiters reported difficulties in finding suitable candidates.

The recruiters from the NEGOTIATE countries reported similar difficulties in finding suitable candidates in the five occupational fields. The only exception is Norway where recruiters find it relatively easy to find suitable candidates for a given job.

What activities during periods of non-employment influence the hiring chances?

Young labour market entrants might experience some periods of non-employment at the beginning of their careers. We asked recruiters which activities during periods of inactivity might affect the chances to be considered for a given job.

Impact of activities during periods of non-employment on hiring chances



Gaps in the CV play an important role in the recruitment process. Over 80 % of recruiters stated that the chances to be considered for a given job decrease if the reasons for a recent period of inactivity are not explained in the application documents. Interestingly, enrolment in employment schemes for the unemployed does not affect the hiring chances according to 65 % of the recruiters. In turn, further occupation-specific education and taking language courses seem to increase the hiring chances of applicants.

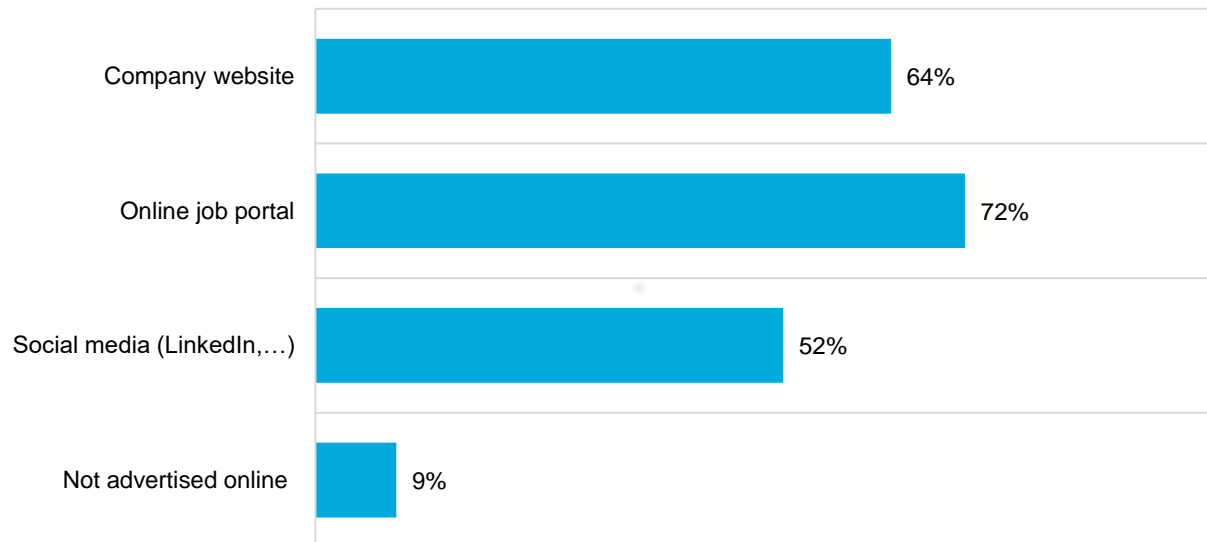
Voluntary work plays a role for the hiring chances particularly in the field of nursing (61%). Computer courses increase the hiring chances especially in the field of mechanics (64%) and IT (74%) according to the recruiters.

There are some differences between Luxembourg and the countries surveyed in NEGOTIATE. Enrolment in employment schemes for the unemployed are evaluated more negatively by recruiters in Switzerland and Norway and more positively by recruiters in Greece than in Luxembourg. In Bulgaria and Greece, a lack of explanation for gaps in the CV is rated less negatively than in Norway, Switzerland and Luxembourg. In contrast, further education and language courses are valued in all countries.

How are vacancies advertised?

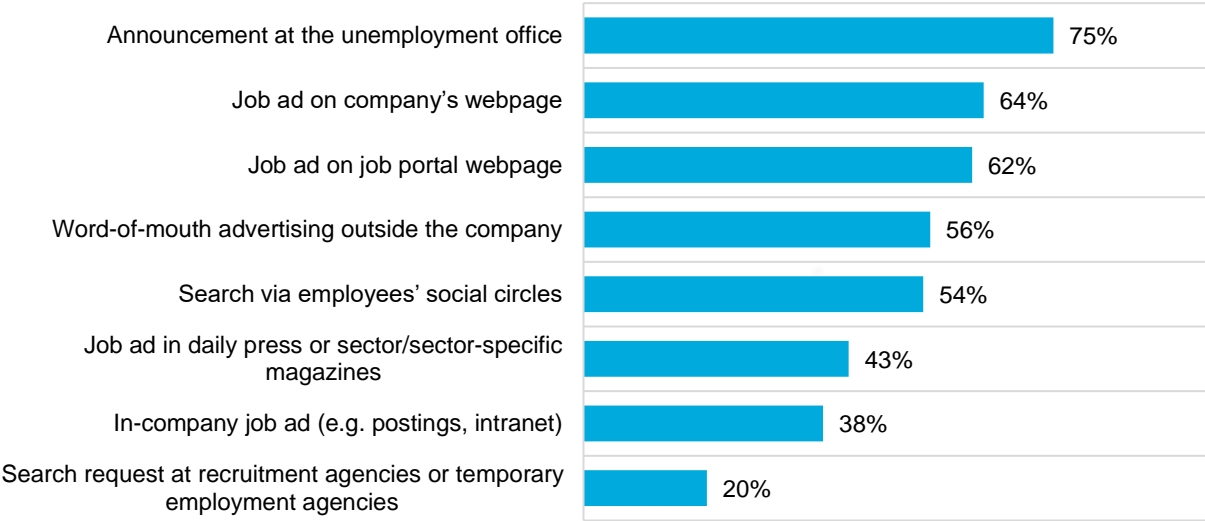
Recruiters might use different strategies to advertise vacancies in their company. Often, multiple strategies are applied simultaneously. We asked recruiters specifically whether they advertise jobs online, and what kind of recruitment strategies they use overall.

Online placement of job advertisements



Online placements of job advertisements seem to be a common recruitment strategy across all occupational fields. Job advertisements on company websites and online job portals are common in all industries. These recruitment strategies are similarly widespread in the respective occupational fields. Only in catering, advertisements on company websites are relatively rare (42%) compared to online placements of vacancies on online job portals (72%). Job advertisements on social media platforms (e.g. LinkedIn, Facebook) is a common recruitment strategy when searching for financial dealers and brokers (72%) and IT specialists (66%) followed by waiters/waitresses (53%), but less so in the fields of mechanics and nursing.

Share of recruiters by recruitment strategies

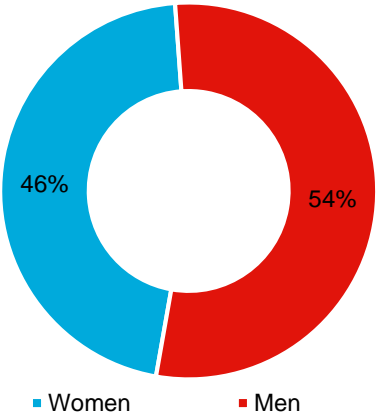


In addition to online placements of job advertisements, recruiters reported that they were using word-of-mouth (56%) and the social circles of the employees (54%) to look for personnel for the respective vacancy or similar positions. Search via employees' social circles is most common in the field of IT (71%). Word-of-mouth seems to be a popular recruitment strategy specifically in the field of catering (75%).

Who are the recruiters?

We asked recruiters to provide some personal information as well.

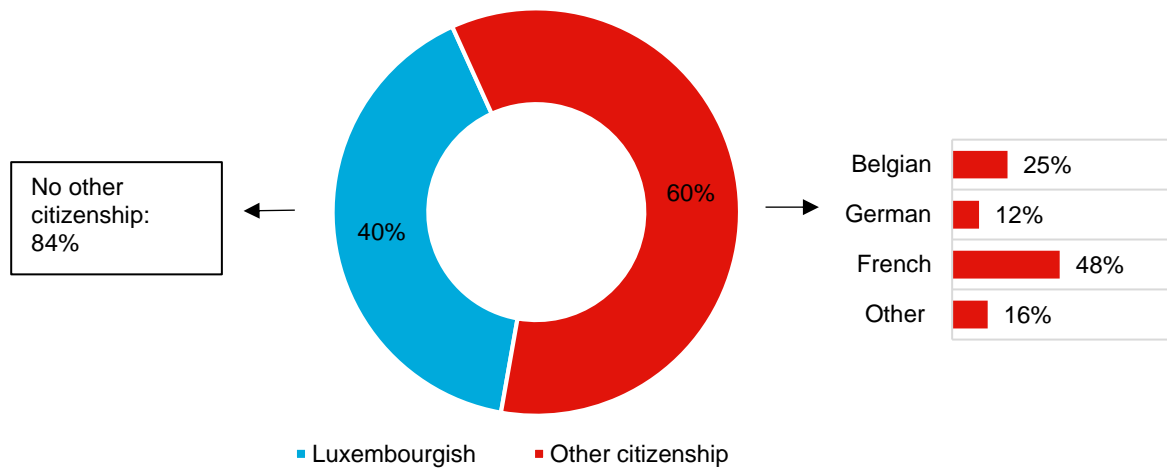
Share of male and female recruiters



Across all occupational fields, there are on average slightly more male recruiters in our sample. However, the gender of the recruiters varies by industry. In the field of mechanics, catering, and IT, each over 60 % of recruiters are male. In the field of finance and nursing, most recruiters are female.

Occupational differences in the share of female and male recruiters can also be found in the four NEGOTIATE countries. Yet, in all four countries, the majority of recruiters in the field of nursing are female – as it is the case in Luxembourg.

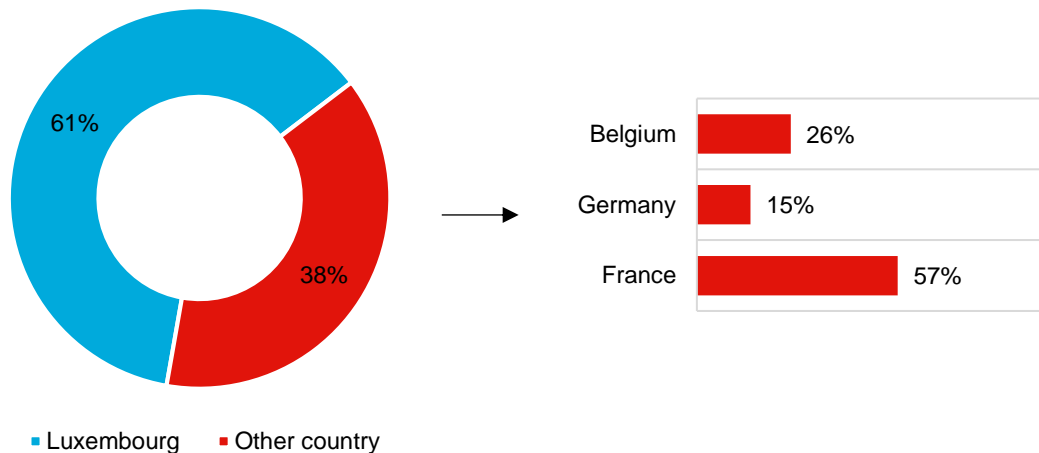
Share of recruiters by citizenship



On average, the majority of recruiters reported that they have foreign citizenship. The most common nationality among recruiters with foreign citizenship is French. Among those with Luxembourgish citizenship, 84 % of recruiters indicated that they do not have another citizenship.

In our main study, we additionally asked recruiters whether they have their main residence in Luxembourg and, if not, in which of the neighboring countries they have their main residence. The results for these questions are shown in the following graph.

Share of recruiters by place of residence



Across the whole sample of 140 recruiters who completed the second survey, the majority of recruiters has their main residence in Luxembourg. Just over half of the recruiters who reside in one of the neighboring countries live in France. Only in the IT sector, a small majority of recruiters stated that they have their main residence in a country other than Luxembourg.

Evaluation of hypothetical CV – what factors impact recruiters' hiring intentions?

A central part of the survey was concerned with the evaluation of hypothetical CV by the recruiters. In this section, we report results from preliminary statistical analyses using this data. We focus on the main study. As mentioned, recruiters rated six hypothetical CV in a simulated hiring situation. The CV varied systematically in the gender of applicants, the timing of unemployment, and nationality. For each CV, recruiters indicated on a scale from 0 to 10 the likelihood of considering the respective applicant for the advertised job or a similar position. Overall, 148 recruiters rated all six CV.

Our preliminary analyses indicate that recruiters evaluate CV exhibiting periods of unemployment more critically than CV without unemployment experiences. On average, one year of current unemployment (at the time of hiring) reduces the chances to be considered for a given job more than one year of unemployment after graduation. Our results further suggest that nationality plays a role for recruiters' hiring intentions. On average, Luxembourgish applicants are evaluated more positively compared to applicants with other nationalities. French and German border workers in particular have lower chances to be considered for a given job than Luxembourgish applicants. Across all sectors, the gender of the applicant does not seem to influence recruiters' hiring intentions.

Due to the low number of cases in some occupational fields, we can analyse differences between the sectors only to a limited extent. In the field of catering, female applicants seem to have an advantage, whereas in mechanics, CV from male applicants are evaluated more positively on average. Regarding IT specialists, we find no difference between male and female applicants in the likelihood of being considered for a job. Nationality tends to have an impact on recruiters' hiring intentions, especially in catering. CV indicating one year of current unemployment are evaluated less positively than CV without unemployment in all three occupational fields (IT, catering, and mechanics).

General notes

Over the coming months, the results presented in this report will be analyzed in more detail. Given the low response rates and small sample size, however, the findings presented in this report have to be interpreted with caution and are to be considered preliminary.

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