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How Job Information Enters and Flows through Social Networks: The Role of Labour Market Characteristics and Tie Strength

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Theories of social capital contend that individuals and groups benefit from social networks which allow access to resources that others control. My research examines the processes involved in such transfers of resources, stressing the agency of the parties involved. My premise is that three nested sets of resources constitute social capital: the "latent resources" controlled by a person's contacts, the "available resources" to which contacts permit access, and the "accessed resources" actually activated via contacts. Existing social capital research focuses on the existence and consequences of each kind of social capital and neglects the processes through which social capital is created and transformed from latent resources into available and accessed resources.

I examine these neglected processes empirically in the substantive setting of job searches, focussing on informational resources. I conducted interviews with both information holders and job seekers in the market for entry-level white collar work in Toronto. The portion of my research discussed here is based on data from in-depth interviews with 37 insurance agents employed in a Toronto call centre. Interviews focus on these respondents as information holders who sometimes know of job openings and who might sometimes share this information with job seekers. I examine how they learn about job openings, how they determine who might be interested in those openings, and how they decide whether or not to share information about openings. In the interest of brevity, I omit here the supporting quotes from interviews that are included in the full version of this paper.

Getting In-the-Know

I asked each respondent to list job openings that they had known of in the past year and to explain how they had learned of each. All respondents had known of job openings in the past year, and particularly of openings in the insurance company that employed them or the bank that was its parent company. Information holders learn of job openings through three primary methods. First, they encounter them in the course of their own job searches, which most respondents conduct, though some more actively than others. Second, some learn of openings because they actively solicit job information on behalf of their job hunting network members. Finally, almost all occasionally learn of openings by some method of passive reception – noticing a sign or advertisement, receiving an unsolicited email, or hearing an opening mentioned in conversation.

Passive reception of job information is common among these information holders. Most commonly they receive information through emails from their own human resources department or from lunchroom gossip about openings for similar jobs at competing insurance companies or banks. These jobs are similar to the positions the information-holders currently occupy.

While many information-holders also passively learn of other kinds of jobs, my interviews suggest that these openings often go unnoted and are effectively forgotten immediately after they are encountered. Respondents remember jobs when they are interested in the jobs for themselves or when they can mentally link the job to a network member. To the extent that information holders do not retain information about some jobs, this information is not at risk of being available or accessed by their network members, and therefore does not constitute a latent resource. Therefore, the existence of latent information in the network depends on information-holders who are not only exposed to information but who retain it.

Getting the Word Out

While information holders have not often been studied directly, research that has considered their motivation has focussed on their pre-screening behaviour, testing the hypothesis that informationholders pre-screen potential applicants and withhold information from those who they believe will perform poorly and damage the referer's reputation. While respondents did allude to concerns about their reputation when providing referrals, this is not the primary factor that they take into account. Further, respondents are more likely to say that they *would* refer someone because they believe the person would not damage their reputation than to report declining to refer someone who they believe would do damage.

A more salient factor when determining who to refer is information-holders' reluctance to share job information that network members might not want. Information holders are reluctant to provide information about jobs unless they believe that the person would be interested in that particular job. They fear appearing intrusive if they suggest a career area not already being actively considered, or being insulting if they suggest a lower-status job than the job-seeker had in mind. As a result information holders report, even when they believe one of their network members may be suitable for a job, that they would not mention the job unless the person asked for information or had specialized training or clear interest in the particular kind of job.

Labour Market Characteristics and the Role of Tie Strength

I have argued that information holders are more likely to retain information about job openings when they are interested in pursuing the jobs or when they know someone who they can mentally tie to the opening. I have also argued that information holders are reluctant to pass information to network members who they do not know to be interested in similar jobs. The key variable that affects information flow in both cases is the information-holders' understanding of their network members' information needs. The likelihood that information holders have this understanding depends on the strength of their tie to job-seekers and the kind of labour markets in which job seekers sought employment.

In *open labour markets* credentials and job requirements are loosely linked and jobs are open to people with assorted qualifications. Because there is no obvious required credential, there are no obviously ideal candidates. As a result network members are not likely to come immediately to mind when information holders learn of these jobs, and information about these jobs is consequently less likely to be retained. Furthermore, because the people who are qualified for these jobs are also qualified for a variety of other jobs, information holders are not able to accurately evaluate whether or not a particular person would be interested in a particular job. Information holders are less likely to share information under these circumstances because they cannot be sure the information will be welcome.

However, both of these obstacles to information-flow in open labour markets are partially removed when information holders deal with their strong ties. Information holders are more willing to risk providing unsolicited career advice to strong ties because closer relationships allow them to take some liberties. Also, information holders have greater knowledge of their strong ties' career intentions and therefore less cause to worry that they will inadvertently provide unwelcome information. This greater knowledge also makes it more likely that information holders will link information that they encounter to these network members and therefore retain the information.

In *closed labour markets* credentials and job requirements are more tightly linked. Jobs require specialized credentials or training and job-seekers have qualifications that are useful to them in a narrow field of jobs. In these markets, information-holders with even superficial knowledge of the job and the applicant can more easily evaluate the fit between them. Job requirements are more obvious and network members with those requirements are more likely to be linked to job information, increasing the likelihood that this information will be retained. In addition, information holders are more willing to share information because they can be more certain that the information will be appropriate and therefore welcome or at least inoffensive.

Searching in closed labour markets advantages weak ties, but it does not disadvantage strong ties, who are still the most likely to be informed of jobs for which they are suitable. However, because the pool of qualified applicants for these jobs is more restricted, information holders are more likely to find a qualified network member among their more diverse weak ties than among a smaller group of strong ties. This is especially the case when information holders know of jobs related to their own work where the network members most likely to be qualified are work-related ties with whom they may not be close.

Conclusion

I find that the flow of information from these information-holders is structured and that this structure is shaped by information-holders knowledge and motivations. Their understanding of their network members' needs influences the information they retain and can subsequently disseminate. Their reluctance to risk awkwardness by providing inappropriate information results in different kinds of job information flowing towards different segments of their networks. This is one of the first to studies of social capital to directly study the network members who provide resources in addition to the network members who benefit from them (see also Flap and Boxman 2001). The findings suggest that this approach will be fruitful in gaining a more detailed and empirically-informed understanding of how resources flow through social networks.

References

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