Hard Times – Strong Ties?

How the Conditions of Local Economy Impact on Getting a Job

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Structure of the presentation

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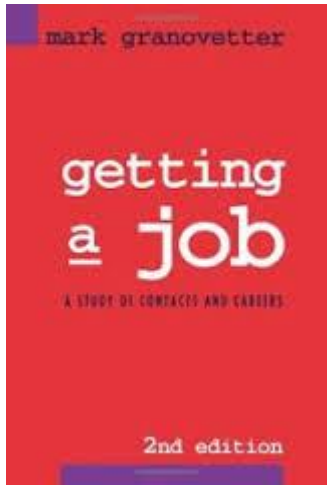
The strength of weak ties (SWT)



Summer 1969: survey among 282 male professional, technical and managerial workers in Newton (a Boston suburb) who acquired a new job in the last 5 years.

"the strength of a tie is a (probably linear) combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and the reciprocal services which characterize the tie" (Granovetter 1973: 1361).

The strength of ties operationalized by frequency of contacts.

In the literature networks are usually treated as an independent variable.

Method used	
Formal means	18.8%
Personal contacts	55.7%
Direct aplication	18.8%
Other	6.7%
N	282

Strength of tie	
Strong	16.7%
Weak	83.3%

Explanations of labor market variation

- Cultural context:
  - Strong ties in Mexico (Rogers, Kincaind 1981);
  - Different meaning of friendship in Japan (Wanatabe 1987);
  - *Guanxi* networks in China (Bian 1997),
  - Immigrant communities (Waldinger 1996).
- Institutional context:
  - Loosely regulated vs coordinated labor markets (de Graaf, Flap 1988; Franzen, Hangartner 2006; McDonald et al. 2012; Wegener 1991);
  - Formal job matching institutions in communist countries (Bian 1997; Völker, Flap 1999, 2001);
  - Significance of formal recruiters in a given labor market (Pellizzari 2010);
  - The role of job-matching based on educational achievements (Chua 2011).
- Structural context:
  - Composition of broader networks providing access to social resources / social capital (Lin, Ensel, Vaughn 1981; Bridges, Villemez 1986; Marsden, Hurlbert 1988; Wegener 1991; Montgomery 1992);
  - Locality context: rootedness (Hanson, Pratt 1991; Granovetter 1995) or locality size (Gerber, Mayorova 2010);
  - Network size (Letki, Mieriņa 2015).

Explanations of labor market variation: Economic context

- According to Boorman's model, when the probability of becoming jobless is high employees would more likely maintain strong ties (1975).
- Ethnographic studies of poverty, unemployment and communities under recession point to the relying on strong ties in such conditions (Grieco 1987; Stack 1974).
- When there is scarcity of jobs, the reservation wage of the job seeker is lower and she accepts the offers quicker, so the offers transmitted through the personal contacts are accepted more easily (Montgomery 1992).
- Search through the personal contacts is cheaper for employers, so it is more likely used when there is higher supply of work force (Granovetter 1995: 158; Marsden, Gorman 2001: 482).
- Neighborhood poverty rate is correlated with informal job acquisition (Elliott 1999; Reingold 1999).
- Strong ties are more often used in declining industries than in growing industries (Brown, Konrad 2001).

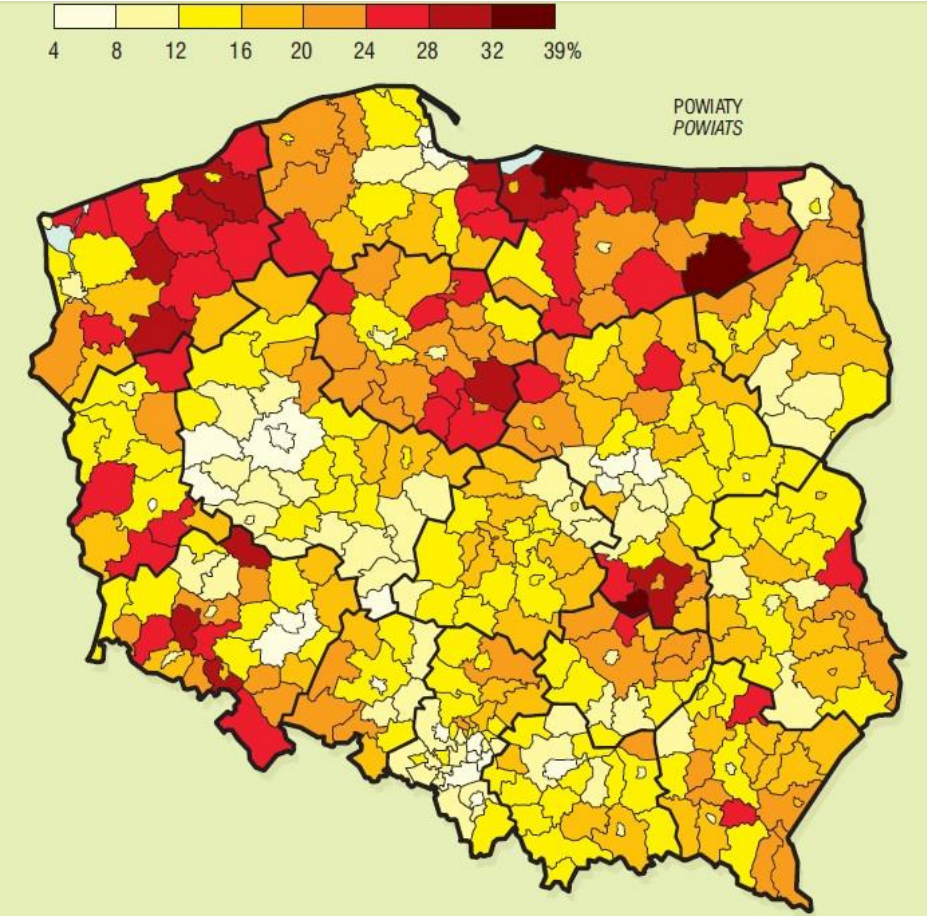
Hypotheses

- Hypothesis 1: *Employees are more likely to use personal contacts to obtain jobs in localities with worse economic conditions.*

- Hypothesis 2: *Employees are more likely to use strong ties to obtain jobs in localities with worse economic conditions (absolute importance of strong ties).*

- Hypothesis 3: *The relative importance of strong ties versus weak ties is higher in localities with worse economic conditions.*

Diversity of local economic conditions in Poland



Registered unemployment rate per *powiats* [counties] in 2013 as of 31 XII (Statistical Yearbok of the Regions – Poland 2014, Central Statistical Office).

- Unemployment rate
  - Min: 3.2%; Max: 34.7%; Poland: 9.0%
- Commune income (PLN)
  - Min: 2,229; Max: 48,680; Mean: 3,424
- Mean of employees income (PLN)
  - Min: 2,456; Max: 6,641; Poland: 4,004
- Rate of employment in agriculture
  - Min: 0.4%; Max: 79.6%; Poland: 11.5%
- Rate of employment in services
  - Min: 15.3%; Max: 86.7%; Poland: 58.0%

Data on economic conditions in Poland for 2013/2014 (Central Statistical Office).

Social networks and the labor market in Poland

- The patterns of *getting a job* in Poland are similar to those in other countries and there is no significant influence of the methods used on the income. This is confirmed by the International Social Survey data (Słoczyński 2013) and Study of Human Capital in Poland data (Jeran 2014).
- Social capital influences income attainmant. This is confirmed by POLPAN data (Słomczyński, Tomescu-Dubrow 2005) and Social Diagnosis data (Fałkowski, Łopaciuk-Gontarczyk 2010; Growiec, Growiec 2010).
- Social networks ar essential for the small entreprises which are looking for employees (Sławecki 2011).
- The personal resources which are embedded in the social networks of respondents improve the perceived chances of getting a new job in Warsaw (Batorski, Bojanowski, Filipek 2015).
- The ties formed at work are crucial for getting a job; individualistic methods are more often used by the unemployed (Pawlak, Kotnarowski 2016).

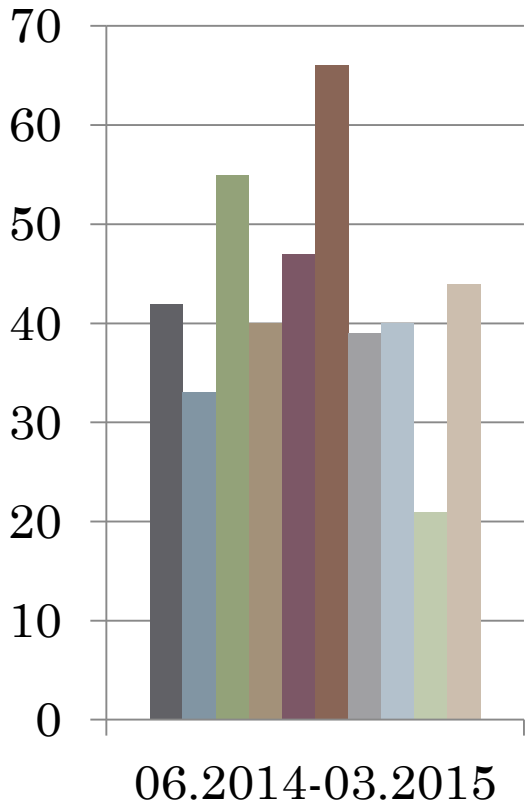
Research design

Research tool: An adaptation of the Granovetter questionnaire from the *getting a job* study.

Sampling: Subsample of respondents who acquired a job, one year prior to the interview, filtered out during the omnibus survey carried out by the Public Opinion Research Center on a nationwide representative sample, in 10 subsequent waves.

Research execution: July 2014-March 2015, Poland.

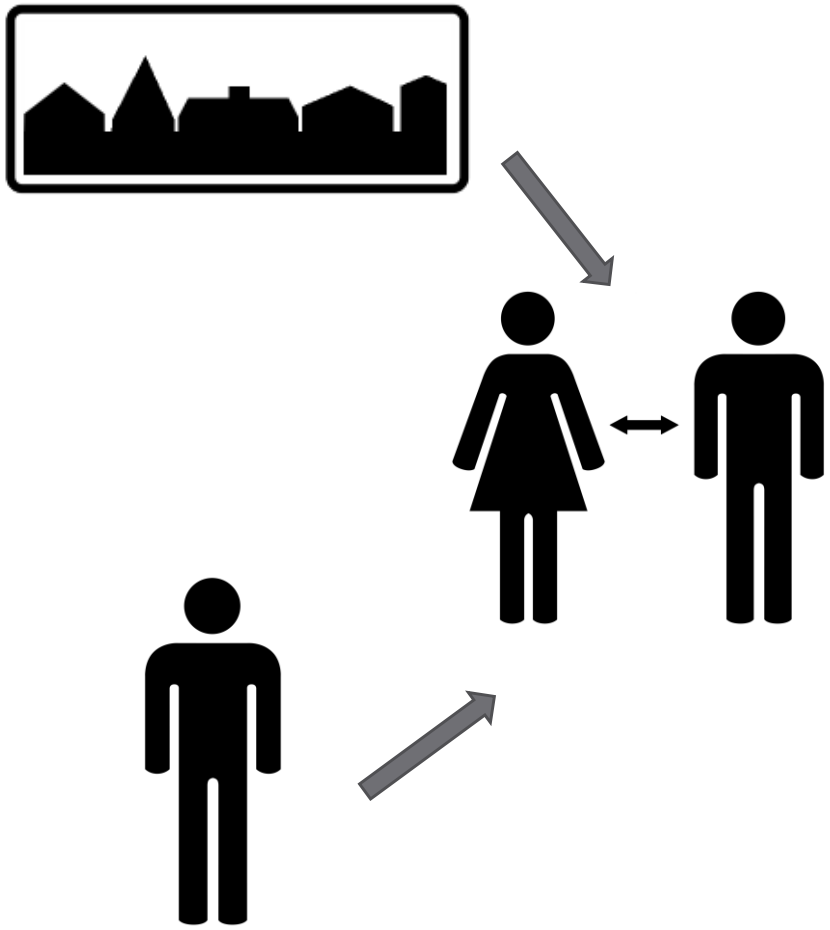
Dataset: Resulting database of 428 observations. Questionaire data supplemented with data from the Central Statistical Office of Poland on the economic conditions of the localities of residence.



Singularity of the sampling strategy

- Nationwide samples: China (Zhao 2013); Poland (Growiec, Growiec 2010; Jeran 2014); Russia (Gerber, Mayorova 2010); Singapore (Chua 2011).
- International samples: *International Social Survey Programme* in 2001 (Franzen, Hangartner 2006; Growiec, Growiec 2015; Letki, Mieriņa 2015); *European Community Household Panel* (Pellizzari 2010).
- One city or metropolitan area samples: Albany, Schenectady and Troy (Lin, Ensel, Vaughn 1981); Chicago (Bridges, Villemez 1986; Mouw 2003; Reingold 1999); Detroit (Marsden, Hurlbert 1988; Mouw 2003); Tianjin (Bian 1997); Worchester (Hanson, Pratt 1991).
- Multicity samples: Atlanta, Detroit, Boston, and Los Angeles (Elliott 1999; 2000; Elliott, Sims 2001; Mouw 2003; Smith 2000); Dresden and Leipzig (Völker, Flap 1999; 2001); China (Bian, Huang 2009).
- Newly hired employees from one city: Newton (Granovetter 1973, 1995); Samara (Yakubovich 2005).
- One age cohort: *National Longitudinal Survey of Youth* (Holzer 1987; Loury 2006; McDonald et al. 2012; McDonald 2015; Mouw 2003); graduates of a single year in a given college (Marmaros, Sacerdote 2002).
- One occupational category: scientists (Murray, Rankin, Magill 1981); managers (Flap, Boxman 1999).
- Unemployed (Brown, Konrad 2001; Korpi 2001).

Multilevel structure of analysis



Indepent variables on the local level: **unemployment rate** (pattern of relationships hold also on commune income, mean income).

Dependent variables on the relational level: method of getting a job, tie strength.

Control independent variables on the individual level: status on the labor market, age, income, searching for a job, occupational status, education.

Model specification

method used = local unemployment level +

status before current employment +

active job search+

current occupation (white/blue collar) +

income +

age +

education

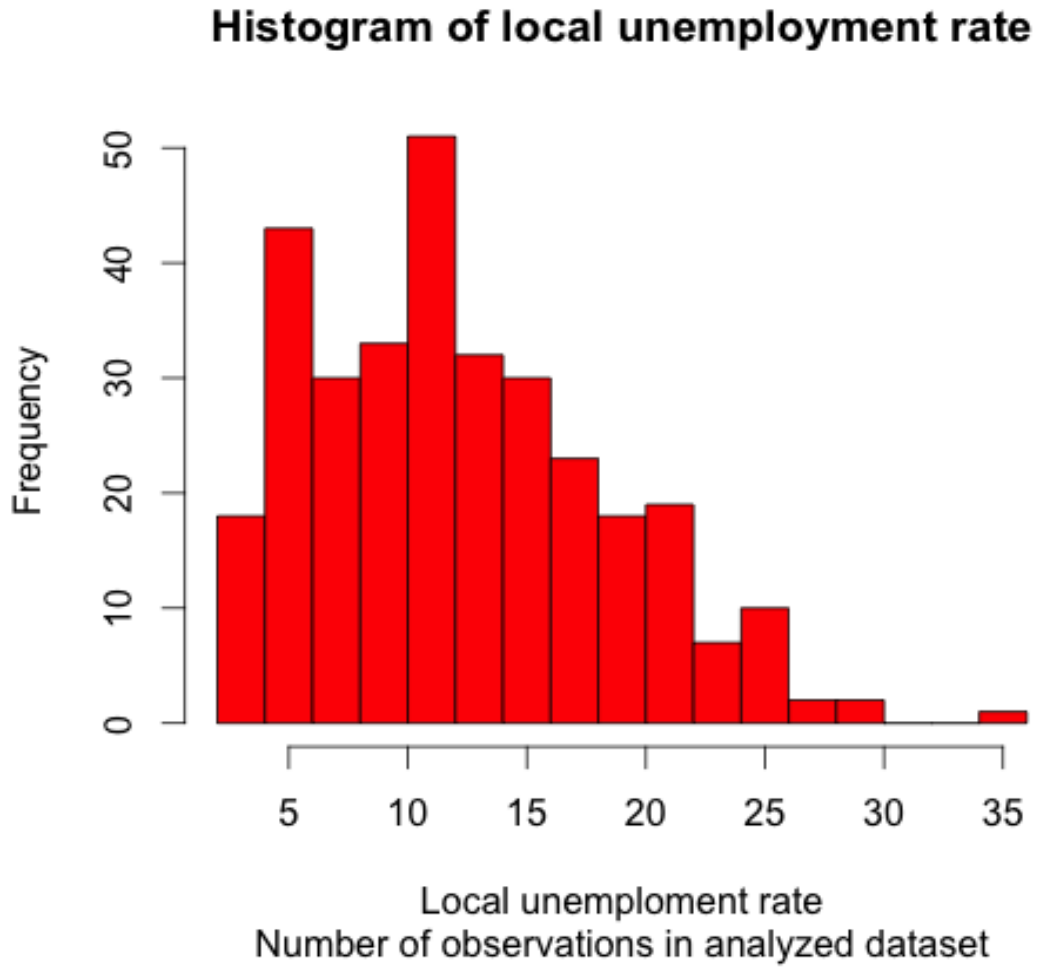
Analytical technique: multinomial logistic regression

Getting a job in Poland

Method used	Newton 1969	ISSP 2002	Poland 2014/15
Formal means	18.8%	15%	29.9%
Personal contacts	55.7%	53%	49.1%
Direct aplication	18.8%	21%	11.9%
Other	6.7%	10%	13.2%
N	282	406	428

Strength of tie	Newton 1969 Contacts	ISSP 2002 Closeness + family	Poland 2014/15 Contacts	Poland 2014/15 Closeness
Strong	16.7%	51.1%	52.2%	32.0%
Weak	83.3%	48.9%	47.8%	68.0%

Unemployment rates in respondents' localities



Model 1

- DV: 4 categories:

Method used	Frequency	Percent
Personal contacts	163	41,2
self-employed	18	5,6
direct	40	12,5
formal	98	30,7
Total	**319**	**100**

- Global significance of Independent Variables – LR test

Dependent variable: method used	LR Chisq	Df	Pr(>Chisq)
local unemployment rate	13,2	3	0,004**
status before current emploment	14,0	9	0,122
active job search	31,4	3	<0,001***
current occupation (white/blue collar)	23,2	3	<0,001***
income	4,3	3	0,234
age	41,3	21	0,005**
education	16,0	9	0,067.

*** p<0.001
** p<0.01
* p<0.05
. p<0.1

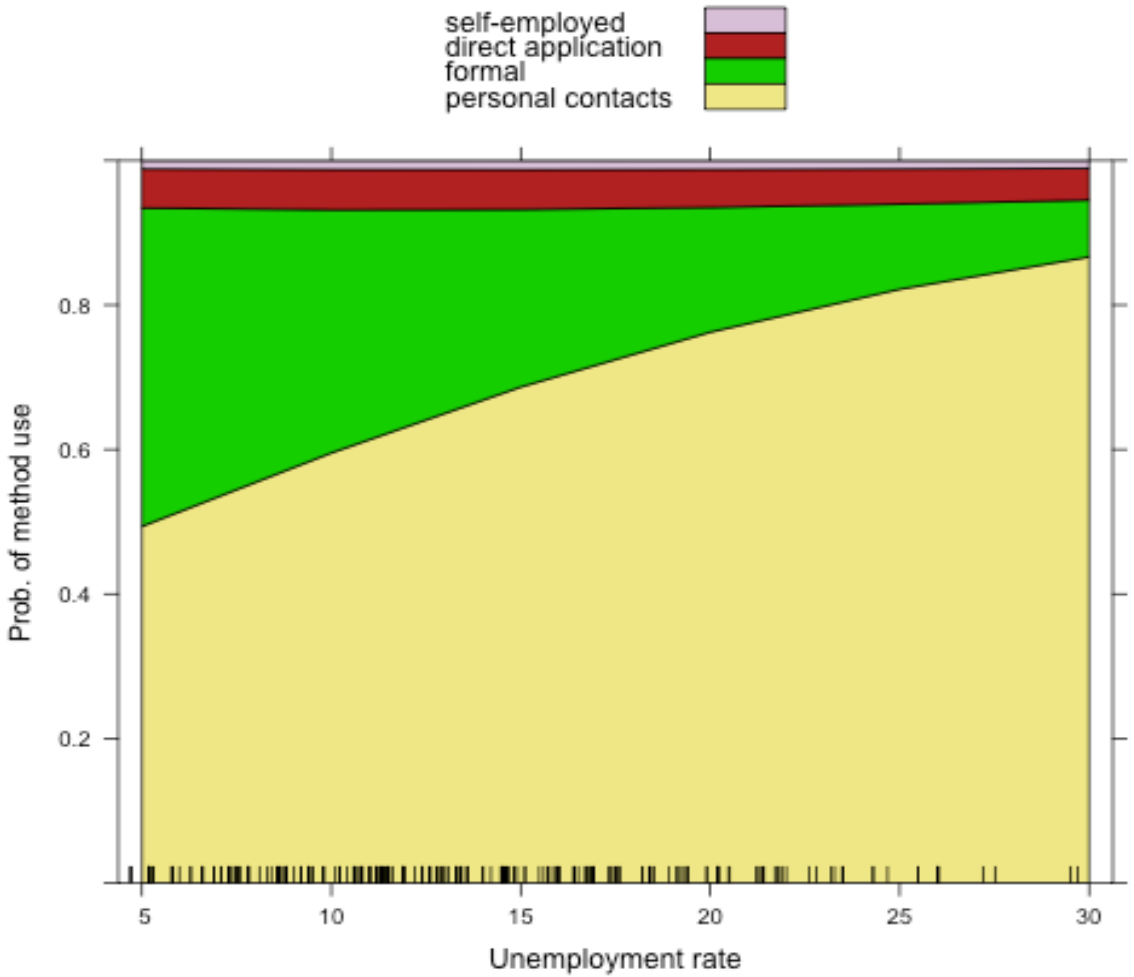
Model 1

- Detailed significance of Unemployment Rate – Wald test

mlogit (N=319): Factor change in the odds of metuse				
Variable: Unemployment rate				
	b	z	P>|z|	exp(B)
personal con vs formal	0,09	3,47	0,001	1,10
personal con vs direct appli	0,03	0,95	0,341	1,03
personal con vs self-employe	0,03	0,46	0,647	1,03
direct appli vs formal	0,06	1,64	0,101	1,06
self-employe vs formal	0,07	1,14	0,256	1,07
self-employe vs direct appli	0,01	0,09	0,928	1,01

b = raw coefficient
z = z-score for test of b=0
P>|z| = p-value for z-test

Hypothesis 1 is supported.



Model 2

- DV: 5 categories:

Method used	Frequency	Percent
Personal contacts	163	41,2
self-employed	18	5,6
direct	40	12,5
formal	98	30,7
Total	**319**	**100**

Method used	Frequency	Percent
strong tie	59	18,5
weak tie	104	32,6
self-employed	18	5,6
direct	40	12,5
formal	98	30,7
Total	**319**	**100**

Model 1

- DV: 5 categories:

Method used	Frequency	Percent
strong tie	59	18,5
weak tie	104	32,6
self-employed	18	5,6
direct	40	12,5
formal	98	30,7
Total	**319**	**100**

- Global significance of Independent Variables – LR test

Dependent variable: method used	LR Chisq	Df	Pr(>Chisq)
local unemployment rate	12,9	4	0,012*
status before current emploment	15,1	12	0,237
active job search	33,5	4	<0,001***
current occupation (white/blue collar)	24,9	4	<0,001***
income	5,3	4	0,262
age	47,8	28	0,011*
education	17,3	12	0,139

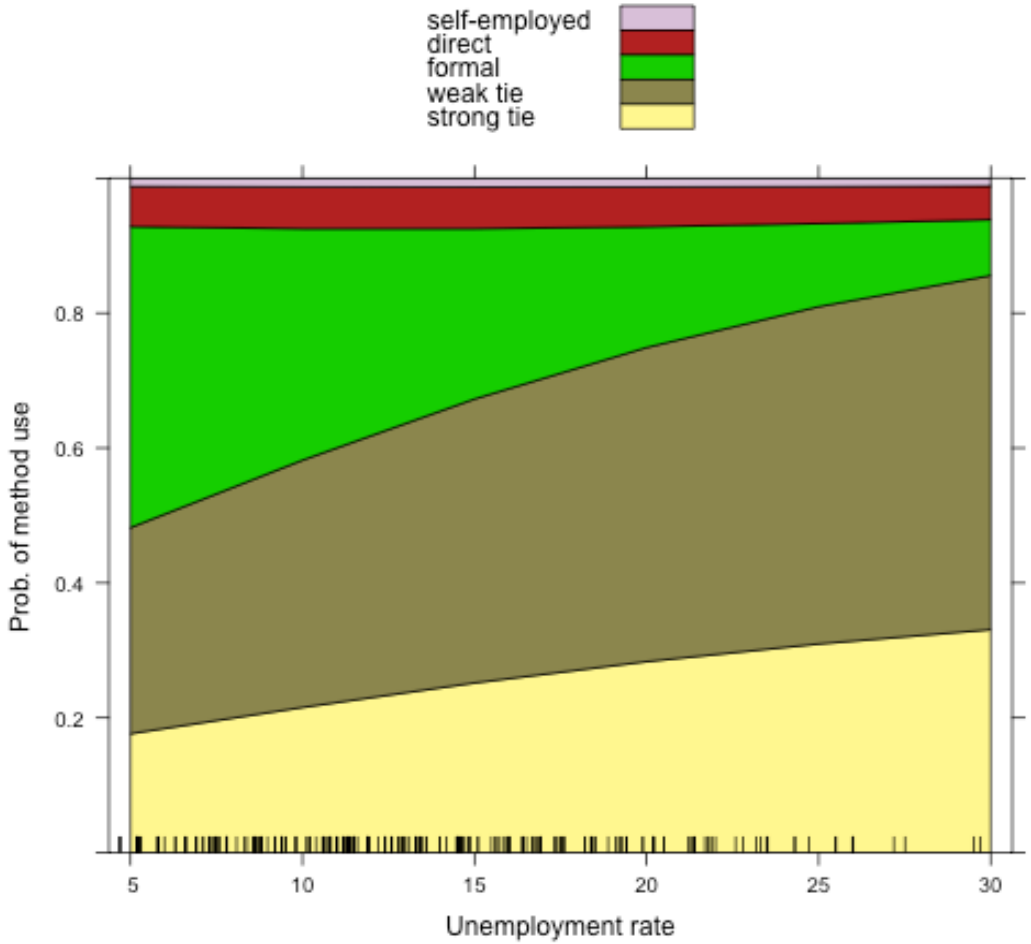
***** p<0.001**
**** p<0.01**
*** p<0.05**
. p<0.1

Model 2

- Detailed significance of Unemployment Rate – Wald test

mlogit (N=319): Factor change in the odds of metuse				
Variable: stopa_bezrob_2014				
	b	z	P>|z|	exp(B)
strong tie vs weak tie	0,004	0,12	0,901	1,003
strong tie vs self-employe	0,027	0,46	0,644	1,027
strong tie vs direct	0,032	0,88	0,380	1,033
strong tie vs formal	0,093	2,96	0,003	1,097
weak tie vs self-employe	0,023	0,42	0,677	1,024
weak tie vs direct	0,029	0,85	0,396	1,029
weak tie vs formal	0,089	3,10	0,002	1,093
self-employe vs direct	0,006	0,09	0,926	1,006
self-employe vs formal	0,066	1,13	0,258	1,068
direct vs formal	0,060	1,62	0,105	1,062

b = raw coefficient
z = z-score for test of b=0
P>|z| = p-value for z-test

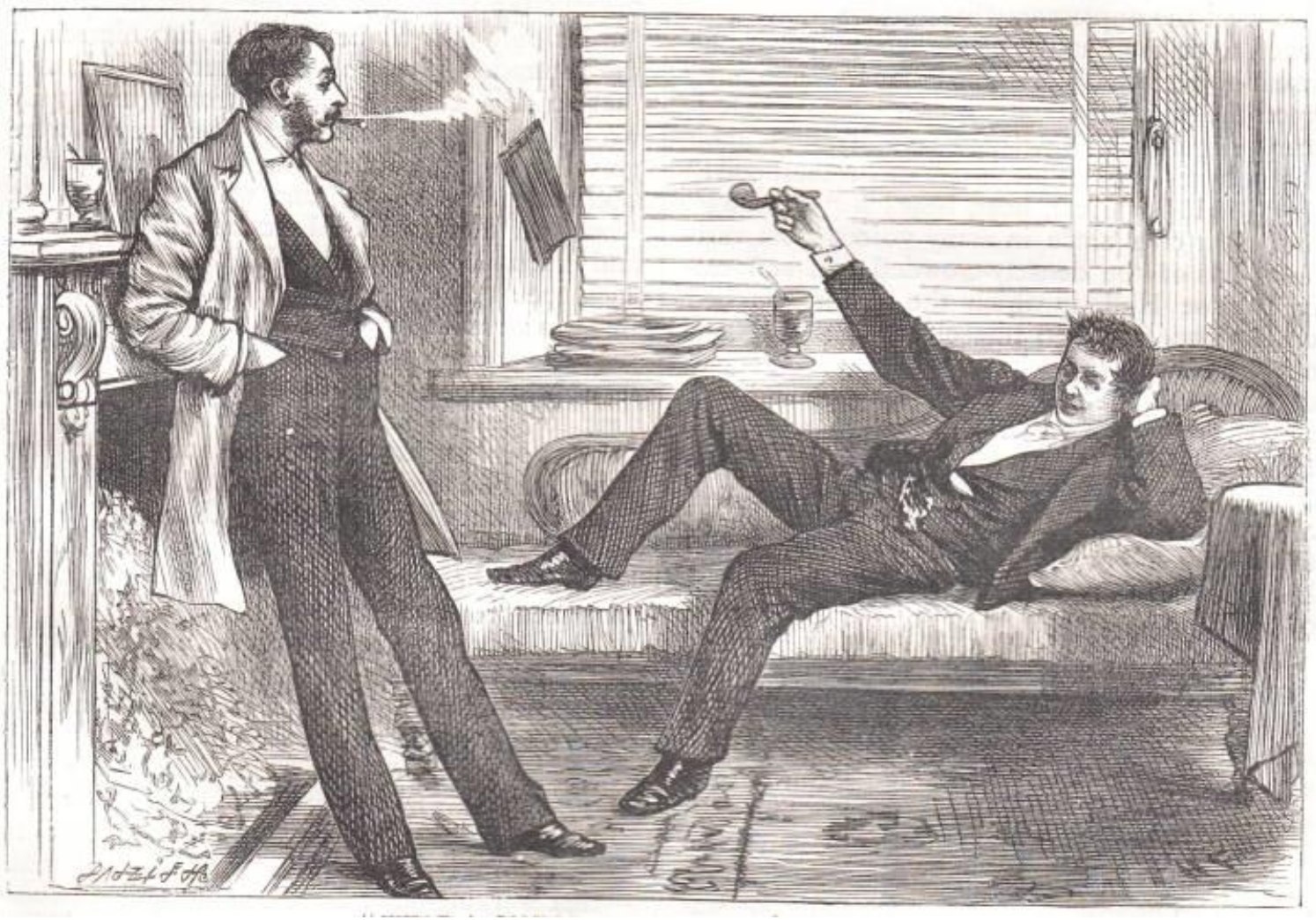


Hypothesis 2 is supported.

Hypothesis 3 is rejected.

Conclusions

- The patterns of getting a job behavior in Poland are similar to the ones described in classic studies.
- In the localities with worse economic conditions, jobs are more often obtained via personal contacts (H1 supported).
- In the localities with worse economic conditions, jobs are more often obtained via strong ties (H2 supported).
- However, the proportion of strong and weak ties remains constant across different levels of local economic situations (H3 falsified).
- The fact that the variation of getting a job methods depends on local economic conditions puts into question extrapolations and international comparisons based on local samples.
- Future research should include data on economic conditions when making comparisons of different instititional settings.



Ladies and Gentelmen Thank you for your Attention!

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More about this research: http://mikolajpawlak.bio.uw.edu.pl/research/sociological-vacuum/

Illustrations to Charles Dickens' *Hard Times* by Harry French, scanned for www.victorianweb.org by Philip V. Allingham