

# Positive Peer Pressure: Leveraging Peer Effects to Motivate Job Search among Youth

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Project: Peer Effects in Job Search for Saudi youth

## KEY INSIGHTS

- Many Saudi youth underestimate the time and effort required to find a private-sector job, and prefer government jobs.
- Peer groups, in which members discuss job search challenges and receive application advice, can rectify inaccurate perceptions surrounding the labor market and the job search process.
- When jobseekers have realistic expectations of the search process, it can motivate them to submit more job applications.

## PEER GROUPS CAN IMPROVE JOBSEEKER MORALE, AWARENESS, AND JOB PLACEMENT

Vision 2030 aims to expand employment of Saudi nationals in the private sector, where only around one-quarter of workers are Saudi nationals. Public-sector jobs are more attractive, with a higher minimum wage and job security. However, they have become scarcer, so public employers look for skills beyond typical educational credentials to distinguish job applicants. Thus, the job search process can be discouraging and challenging for youth who expect a secure, high-paying, public-sector job.

A research team conducted a pilot randomized controlled trial with beneficiaries of the *Hafiz* Saudi unemployment assistance program to explore the impact of peer effects in motivating job search. Ten groups of 20 individuals each from the same gender and institution were involved in the study. Groups interacted via the social media app *WhatsApp* for three months. Group coordinators sent messages encouraging job search, validating participants' concerns, and providing information about jobs and search tips, such as how to improve CVs and complete online skills training course. Coordinators also promoted messaging between group members by offering prizes to those who participated in group discussions and provided job search updates. Researchers surveyed participants before the groups convened, and three months after,

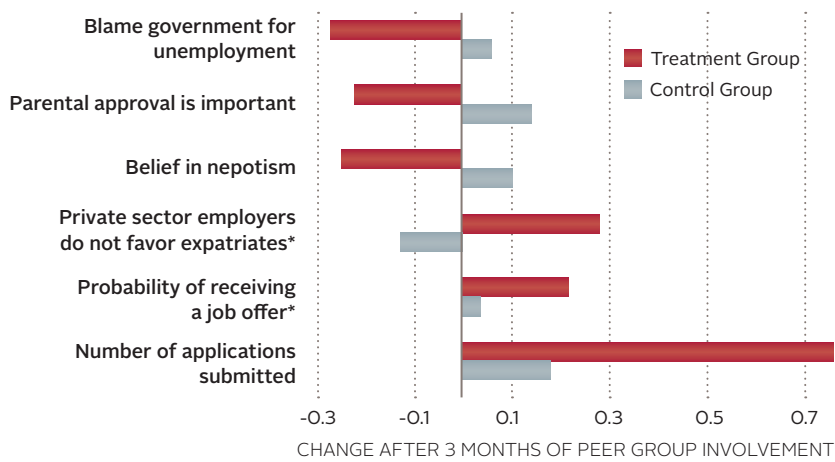
regarding their job search behavior. They also surveyed a “control” group of youth who were not part of a peer group, but completed the same baseline and endline surveys. The results produced by this pilot study are highlighted below, and will inform a full trial to test peer group job training program effectiveness.

**Youth who participated in peer groups submitted more job applications and received more job offers than those who did not participate.** Peer groups played two key roles that led to a higher job search effort. The first is as an information conduit regarding job availability, search tips, and sharing of experiences. The second is their ability to influence attitudes and mindsets regarding different aspects of the job market. The impetus for submitting more applications could thus be attributed to a combination of factors such as learning from peers, improved morale of jobseekers, and more realistic expectations about the job search process itself.

**Peer groups can motivate jobseekers.** When jobseekers hear of their peers' struggles in the search process, they may sense solidarity and feel less discouraged about the length of their own process.



**Figure 1 | Impact of Peer Groups on Job Seekers' Mindset**



Note: All results significant at 5 percent. \* For men only

**Peer groups can also promote more realistic expectations of available job opportunities.** Jobseekers expecting an easy job search may be discouraged if they do not find a job quickly, dampening their search efforts. Jobseekers with higher minimum wage requirements had a lower probability of receiving interviews, possibly because they only applied to jobs with higher wages. When youth hear the challenges faced by their peers in finding a job that meets their high salary expectations, they may adjust their own expectations.

**When youth hear of their peers' job search experiences, they perceive a greater sense of transparency surrounding the employer selection process.** Jobseekers who recognized the value of hard work in finding a job received more interviews. Those who believe the selection process is haphazard or beyond their control may feel discouraged and apply to fewer jobs. If they learn of their more hardworking peers' successful search efforts, they may recognize the value of hard work in securing a job, and increase the quantity and quality of their own search efforts.

Peer group participants believed the job search process was more transparent after they joined the group, and in comparison with those in the control group. Peer group participants believed the importance of having a *wasta*, or nepotism, was lower than their control group peers. Additionally, they became more optimistic about job market fairness: more youth believed that private sector employers do not favor expatriates and fewer youth blamed the government for their unemployment.

**The application tips and job search information provided by group coordinators may have been another factor driving the increase in job applications participants submitted.** Awareness of job opportunities may be low. Additionally, jobseekers may not know how to effectively communicate their skills, especially soft skills, to employers. The information provided by the group coordinators may have raised awareness of job opportunities and effective search strategies, and led to an increase in the number of applications group participants submitted.

### How can policymakers effectively use this information?

Peer communication can help manage expectations related to job search. Youth with realistic attitudes about the process and available employment opportunities will face less frustration in their search.

It is critical that youth become more aware of private-sector employment opportunities. If graduates expect a government position, they are likely to wait rather than search for a job, which can end in disappointment. Providing information about average salary can manage youths' salary expectations to fit with the reality of the job market, and subsequently lower the wage expectations of jobseekers, expanding the pool of jobs for which they are willing to apply. Additionally, if youth know the average job search duration, they may feel less discouraged about a long job search process.

Bottom-up approaches such as communication campaigns led by youth can be effective tools to adjust youth expectations regarding the effort and time needed to secure a job. University students could form clubs, in which they share job search strategies and information. Once they graduate they could form alumni clubs that advise student clubs.

#### RESEARCH TEAM

Djavad Salehi-Isfahani, Professor, Virginia Tech

Sudipta Sarangi, Professor, Virginia Tech

Wen You, Associate Professor, Virginia Tech

Abdelaziz Alsharawy, Research Assistant, Virginia Tech

Sultan Alkhuzam, Assistant Professor, King Saud University

Bodour Alhumaid, Lecturer, King Saud University

Hassan Alsultan, Research Assistant, Riyadh