

Researchers

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Timeline

2020-2021

Sample Size

~450 job postings

Research Implemented by IPA

Yes

Online Job Application Time Costs, Applicant Quality, and Employee Retention in Bangladesh

Abstract

Online job search platforms are increasingly common. However, there are still open questions on how to best design these platforms to improve job matching and employment. Researchers in Bangladesh partnered with a large online job search platform to evaluate the impact of increasing application time costs on applicant quality and employee retention.

Policy Issue

Online job search platforms are increasingly common. In Bangladesh, where this study took place, more than 2.5 million resumes and 25,000 profiles have been created on one popular white-collar job-matching platform, bdjobs.com. However, there are still open questions on how to best design these platforms to improve job matching and employment, especially for lower-income and lower-skilled workers.

Platforms with low application costs might lead to a bad “fit” between workers and firms. If applying to a job is virtually free and fast, people facing high unemployment might apply to many jobs online, including those for which they are not a good “fit.” For example, a person who has strong organization skills but weaker interpersonal skills may apply for a customer service job, rather than an administrative job for which they would be more qualified. As a result, firms spend more time sifting through applications and deciding who to hire, and jobseekers are more likely to receive offers that they will not actually accept or accept offers for which they are not suited. If firms make applying for jobs online slightly more difficult, will jobseekers target their applications to jobs for which they are better suited?

Context of the Evaluation

Dhaka is Bangladesh's capital and largest city. In Bangladesh's urban areas, including Dhaka, people with a post-secondary or higher degree experienced a 14 percent unemployment rate in 2017. Despite this high unemployment, qualitative evidence collected by the researchers in the context of this evaluation suggests that jobseekers often turn down job offers and that many people with jobs are likely to leave them.

Online job search platforms play a large role in hiring both higher- and lower-skilled jobseekers in Bangladesh. After referrals, the online job search platform studied in this evaluation, is the search channel of choice in Bangladesh for low-income young people with post-secondary education looking for blue- and grey-collar jobs. The most commonly advertised jobs on this online platform are service jobs such as shop sales assistant, delivery driver, call center agent, and brand promoter.

The platform's users during this study were between 18 and 30 years old, and most had migrated from rural areas to Dhaka. Most were either current students or recent graduates of training colleges or lower-tier universities. Whether a student has attended a higher-tier university in this context is closely linked to their wealth. Employers are often sifting through a large number of candidates with few meaningful signals to differentiate them.

Details of the Intervention

In partnership with an online job-matching platform, researchers are conducting a randomized evaluation to measure the impact of increasing the time it takes to apply for a position—or the “application time cost”—on applicant quality and employee retention.

The study took place over the course of one month during which all job postings on the platform from participating firms were included in the study, covering around 200 firms and at least 450 job postings. Each job posting included an average of around 22 vacancies for the same job. Job postings were randomly assigned to one of three groups:

1. *Time cost*: Applicants to approximately 150 job postings, covering at least 3,300 vacancies, were required to complete a short multiple-choice quiz to access any given job application. The length of the quiz was randomly varied, lasting five, ten, or fifteen minutes. It covered general job search knowledge, such as interview techniques.
2. *Time cost and exposure to job-specific content*: Applicants to approximately 150 job postings, again covering at least 3,300 vacancies, were required to complete a different multiple-choice quiz to access any given job application. The length of the quiz was randomly varied, lasting five, ten, or fifteen minutes. This quiz covered material directly related to the job description of the application.
3. *Comparison*: Applicants to approximately 150 job postings, again covering at least 3,300 vacancies, were not required to complete a quiz to access any given job application. The rest of the platform was unchanged.

The research team will track applicants' engagement with the platform and job applications submitted, job interview attendance, and job offers using administrative data. The researchers will also collect in-person survey data from the approximately 200 participating firms three and nine months after the intervention. These surveys will gather in-depth information on worker retention, performance, and wages.

Results and Policy Lessons

Research ongoing; results forthcoming.

Sources

Pople, Ashley and Stefan Dercon. "The paradox of search frictions in online job matching." *JOI-funded project proposal*. 2020.

April 26, 2021