

# School of Economics FOCUS PAPER

## Providing Advice to Jobseekers at Low Cost: An Experimental Study on Online Advice

by Michele Belot and Philipp Kircher

The most common method of assisting job seekers is to provide them with tailored advice, most commonly through an advisor, which is often costly and the advice provided is limited in scope given the financial and time constraints on advisors. Evidence from both the US and the UK shows that there is often a 'mismatch' where job seekers search in occupations with relatively few jobs available, while occupations with relatively more jobs available seem to attract less interest. Belot, Kircher and Muller have developed a new tool to tackle this 'mismatch'. Their tool uses an algorithm based on representative labour

success, the team put their algorithm to the test.

Over the course of twelve weeks, the team invited job seekers to use a specially designed platform, which also served to provide the team with vital insight into the complete job search process, and measure when a job seeker was successful and how that result was achieved.

During the course of the experiment, job seekers received two platforms to use for their search. The first was the Universal Job Match, the official job search platform provided by the UK Department for Work

resulted in more job interviews.

The results of the experiment are promising. The team found that their alternative platform increased the overall occupational breadth of job search (in terms of listed vacancies), it made initially narrow searchers consider a greater breadth of options. In addition, there was also a positive effect on job interviews. However, the results do come with some caveats. Although during the initial study, there were no statistically significant negative effects on job interviews for any group, the team cannot rule out that some job seekers may be hurt through fewer interviews. The team also stress that they have, at the moment, limited information on the types of jobs found, therefore hindering their analysis on the duration and quality of those jobs. Despite these reservations, their findings do suggest that targeted job search assistance could be effective if utilised to a larger scale. The cost of developing a large-scale website, such as the Universal Job Match could easily be outweighed by the meaningful positive employment effects the tool could have.



“Until recently many job search websites, including those run by governments, have not provided much help to job seekers, despite many job seekers having to look for alternative types of employment in a rapidly changing economic environment. This new tool gives job seekers information in a simple and cost-effective format and it seems to greatly improve their ability to attract interest from employers. We hope this will improve the way job search platforms are structured.”  
- Philipp Kircher

market statistics to provide job seekers with suggested occupations where other job seekers have found jobs and where the skill transferability is high. To prove their theory that this would decrease 'mismatch' and increase job seekers

and Pensions. The second platform was the one designed by the team. Their platform asked job seekers which occupation they wanted to search and their geographical area. The job seekers' results showed the most related occupations but also provided a list of occupations where the skill requirements were similar. In addition they provided a map showing the job seekers which occupations the ratio of unemployed workers to available jobs was more favourable for. The map also gave the job seeker direct information on the competition for jobs in a particular occupation. Information was also provided on skill transferability, which showed the job seeker occupations in which they had realistic chances of fulfilling the requirements for. The aim of this platform was to see whether providing job seekers with a broader search option would lead to a better job search experience, and whether using this platform

### Information

This paper is from Michèle Belot, Philipp Kircher, Paul Muller; Providing Advice to Jobseekers at Low Cost: An Experimental Study on Online Advice, The Review of Economic Studies (2018).

Professors Belot and Kircher are Professors of Economics at the University of Edinburgh and EUI. They are both co-investigator on the Credit and Labour Foundations of the Macroeconomy (MacCaLM), which brings together a group of leading economists to re-examine macroeconomic theory, focusing on how malfunctions in labour and financial markets seem to be at the root of macroeconomic failure. The project is based at the University of Edinburgh and led by Professor John Moore.

[www.maccalm.org](http://www.maccalm.org)



THE UNIVERSITY of EDINBURGH  
School of Economics



FEBRUARY 2019