The influence of social capital on employment

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Abstract

Using logistic regression and ordinary least squares regression, this paper analyses the effect of social resources on the chances of employment for the unemployed in the Netherlands. This study considers that unemployed with work experience have a higher chance to re-enter the labor market than unemployed without work experience who are on a job search for the first time. The results indicate that this is not the case. First-time job seekers have a slightly higher chance of getting employed.

Keywords: *social capital, employment, work experience, job seekers*.

Introduction

The last few decades, a lot of research has shown the importance of social resources (Granovetter 1973 & Lin et al. 1981). The "strength-of-weak-ties" argument of Granovetter (1973) opened up an entire new research field on network theory. One important aspect of his work is the salience of personal networks for success at the labor market. According to him, most people find a job through personal contacts, meaning the people that the person has come to know for other reasons than the search for a job (Granovetter, 1995). Especially weak ties, more than strong ties, seem to be of crucial importance (Granovetter, 1973). In response to Granovetter, a lot of researchers have looked at the effects of tie strength and network sizes. Much research indicates that the more social resources one has, the higher one's chances for success at the labor market (Wegener, 1991; Campbell, Marsden & Hurlbert, 1986). Granovetter himself argued that more attention should be paid to the structure of careers. For example, the impact of someone's starting position at the labor market on his long-term future (Newman, 1996). Apparently this has influenced some researchers, because these last years most research in this field focused on attaining a higher occupational status through networks (Lin, Ensel & Vaughn, 1981; Lin, 1999; Lin & Ao, 2009), rather than focusing on whether people sooner find a job through social networks. Hällsten, Edling and Rydgren (2016) argue that research of the influence of social capital on unemployment is still scarce. Hällsten et al. (2016) did research this, but their article focuses only on youth unemployment. Since unemployment is especially an issue among those who are younger than 25 due to their lack of job experience (Caliendo & Schmidl, 2016), this has been an important study. However, unemployment is not only an issue for those younger than 25. The Great Recession had a great impact on the unemployment rates in the Netherlands, as well as in other countries. However, the Netherlands has suffered the most from long-term unemployment compared to other countries, and 40% of these long-term unemployed are over 50 years old (De Graaf-Zijl & Van der Horst, 2015). Therefore, research on the influence of social capital for job-seekers may also be relevant for the unemployed older than 25 years. Sprengers, Tazelaar and Flap (1988) have researched the effects of social resources and labor market restrictions on the chances of re-entry on the labor market for unemployed men. They also found that especially weak ties seem to be crucial for both job search intensity and chances on re-entering the labor market. Their study showed that when these men did not find a new job within a year after losing their job, it became very hard to find a new job at all. The effect of ties with friends and family became smaller to those men who did not find a new job fast.

In this paper I will try to combine prior work by researching whether social networks influences the chance on finding a job. I will look at both the chances of employment among people who do not have any work experience, and the chances of re-employment among those who are trying to re-enter the labor market. This paper addresses the question how social resources affect the chances on the labor market. I expect that the unemployed with work experience have a higher chance to find a job than the unemployed without work experience. This is due to the expectation that the first group, who already have entered the labor market once, can make more use of their social resources to find a job than the latter group. I argue that when it comes to ties with friends and acquaintances, the effect will be greater for those who have been employed before since they are more likely to have ties with friends and acquaintances that have a job. I expect that the effect of family ties will be larger for those who are on a job search for the first time.

Theory

Over the years it has become known that capital positively influences an individual's welfare. Bourdieu (1986), who makes a distinction between different types of capital, argues that social capital functions as a multiplier for the other types of capital. Social resources are second order resources, which means they do not only consist of someone's own resources but also of the resources of others they know and thus social relations connect people to valuable resources (Lancee, 2012). Someone's social capital consists of the person's network and all the resources that he gets access to through this network (Sprengers et al., 1988). Thus an individual's social resources depends both on the size of his network and on the volume of capital he possesses by each of those to whom he is connected (Bourdieu, 1986).

Granovetter's (1974) work showed the importance of these social resources in linking people to jobs. Both influence on and information about job opportunities flow through the contacts that someone has (Newman, 1996). Hereby he looks at the strength of ties, which he defines as *"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, p. 1361). The more these aspects are present, the stronger the tie is. In the case of job seeking, Granovetter found that especially weak ties seem to play a crucial part. His study showed that these ties are necessary for an individual's opportunities and integration into a community and that strong ties lead to fragmentation (Granovetter, 1973). Thus weak ties

seem to reach further than someone's direct environment and are therefore more likely to contain information, like knowledge about job requirement or the process of applying to it. In his book *Getting a Job* Granovetter (1974) showed that in his sample of professional, technical and managerial workers, 56% of them used personal contacts to find a job. They do not only seem to prefer finding a job this way, but they also felt like they could get a job of higher quality by using personal contacts.

After Granovetter other research indicated that the more social capital one has the higher one's chances on the labor market as well. For example, Korpi (2001) found that the larger one's social network is, the greater the probability of employment. Because I want to build further on the idea of the influence of social capital on getting employed, I will use this as my first hypothesis.

H1: *Unemployed with more social capital have a higher chance to find a job than unemployed who have less social capital.*

In this same book *Getting a Job* Granovetter (1974) also suggests that job mobility is self-generating: people who have had more jobs are more likely to have more personal contacts and are thus more capable of using their contacts to find new employment. Fernandez, Castilla and Moore (2000) also suggest that employed people have more access to a better pool of contacts than the unemployed. This allows them to gain better job-worker matches more easily than unemployed people. However, Korpi (2001) suggests that when employed people lose their job, they also tend to retract from social life and lose their contacts with the world of work. In this view, the transformation from employment to unemployment could eventually lead to a destruction of personal networks, which can limit job mobility opportunities. However, it should be made clear that this effect does not occur immediately, but develops over time (Korpi, 2001). According to another study the effects of social resources on the chances of re-employment strongly decrease after one year of unemployment (Sprengers et al., 1988). In this study less than half of the subjects were still unemployed after one year, and at that time the chances for these people to stay unemployed for another year increased to almost 85%.

Considering this, the unemployed who recently had a job might have access to a more useful pool of personal contacts. They might have accumulated more contacts at the labor market during the time they had a job. Therefore they might be able to use their social network more effectively in their job search than people who did not have a job before. Especially when they are searching for a new job soon, thus in the least amount of time as possible. The people

who are on a job-search for the first time, people without work experience, have had much less time and opportunities to invest in contacts that are linked to the labor market. Thus, it is likely that unemployed who have had a job before can rely more on contacts that have a position in the labor market. And it is likely that such a person will be more useful in the process of finding a job than someone who does not take place in the labor market.

H2a: *Unemployed with work experience have more contacts that have a job than unemployed without work experience.*

Besides looking at the amount of contacts someone has, it is also relevant to know how these contacts look like. Mouw (2003) argues that the effects of social capital on the success at the labor market might be biased because of social homophily. This principle suggests that *"a contact between similar people occurs at a higher rate than among dissimilar people"* (McPherson, Smith-Lovin & Cook, 2001, p. 416). People are 'similar' when they share a lot of the same characteristics and 'dissimilar' when they share only a few or even no characteristics.

Following this theory one can argue that people that have a job also have friends or acquaintances that have a job. When someone loses or quits his job, his friends probably still work. Remaining in contact with them, might be useful in finding a new job. Since people without work experience are often people who just finished studying and are moving to a next phase in their life, it is very likely that their pool of contacts mainly consists of friends around the same age and also (still) unemployed. When they use these contacts it probably does not have much effect on finding a job, since these contacts do not have a more beneficial position towards the labor market compared to the person that is searching for a job.

H2b: *Unemployed with work experience have more contacts with friends and/or acquaintances than unemployed without work experience.*

Besides the ties with friends or acquaintances, someone could also make use of family ties in their process of finding a job. There has been much research on the effects of family background, but a lot of these studies have looked at this effect on educational achievement (Teachman, 1987; Israel, Beaulieu & Hartless, 2001). Most of this research measured the relation between the father's and/or mother's level of education or occupational status and that of the child and found a positive effect (Rumberger, 1983). Other studies have researched the effects of family and community background on economic status and found this to be of crucial

influence (Rumberger, 1983; Corcoran, Gordon, Laren & Solon, 1990). Although family background seems to be of great importance, very few studies have looked at whether family background also influences someone's chances on finding a job. Lin and Dumin (1986) found that the higher someone's inherited position, the better that person can reach to social resources through contacts. Lin, Ensel and Vaughn (1981) found similar effects. A job seeker's personal resources, and initially his family background, affect the ability to reach a contact of high status. In turn, the status of the contact affect the prestige of the attained job of the job seeker (Lin, Ensel and Vaughn, 1981).

In this paper I will not look at the effects of a parent's occupational status on the status of the child. Instead I will look at whether people are using their family ties to find a job. I expect that family ties are especially relevant for those who have very few other ties that are useful for getting a job. When there is no one you can ask for help, in this case for finding a job, family members are often people you can turn to. Since I argue that unemployed who have work experience are more likely to make use of ties to people in the labor market, I believe that they will make less use of family ties than unemployed without work experience. These latter persons might make more use of these family ties, because they probably have less other ties that will get them a job.

H2c: *Unemployed with work experience have less contacts with family ties than unemployed without work experience.*

Previous research about work experience was mostly about its effect on job performance, job stress and job satisfaction (Klassen & Chiu, 2010). As far as I know, there has not been any research to the effect of work experience on employment among people that are unemployed. However, it should be taken into consideration that work experience also leads to a higher human capital. This type of capital is embodied in the skills and knowledge that is acquired by an individual (Coleman, 1988). Off course, having skills and knowledge also increases one's chances on the labor market. Unfortunately, the effects of human capital are outside of the scope of this study.

As said before, most research in this field have shown that weak ties are more effective than strong ties (Granovetter, 1973; Lin, Ensel & Vaughn, 1981; Sprengers, Tazelaar & Flap, 1988). Therefore, the contacts with friends and especially acquaintances may be more efficient than the contacts with family members. If it is indeed true that unemployed with work experience have more links to friends and acquaintances than unemployed without work

experience, it would indicate that the first group has a higher chance to find a job than the latter group. And if unemployed without work experience are more in contact with their family, it would mean that they have a lower chance to find a job than unemployed with work experience.

H3: *Unemployed with work experience have a higher chance to find a job than unemployed without work experience.*

Methods

Data

For this paper I made use of the data of the LISS panel (Longitudinal Internet Studies for the Social Sciences), which was collected by CentERdata (Tilburg University, the Netherlands). This data is the core element of the MESS project (Measurement and Experimentation in the Social Sciences) and is available to all academic researchers and policy makers who want to make use of existing data for their own research. The LISS panel consists of 4500 households, containing 7000 individuals. It is an internet panel which is drawn by Statistics Netherlands (Statistics Netherlands, 2009). Internet panels are often not so representative due to self-selection and often have an underrepresentation of elderly people. In the LISS panel the households were selected randomly from population registers. Of this selection, those who had a registered telephone number were called and those who could not be contacted by telephone were visited by interviewers. Every sampled person was asked to participate in an interview before they were asked to participate in the panel. Those who were worried about participating without having internet access, were offered a simple to use computer with free internet access at their home during the panel if they were willing to participate. Those who did not want to participate were asked to answer at least some key questions (Statistics Netherlands, 2009). A study to the representative of the LISS panel (Statistics Netherlands, 2009) found that the LISS panel still has a underrepresentation for certain groups. However, this counts for almost all surveys and panels, especially when it is via the internet.

The panel has started in October 2007 and members fill in questionnaires every month for which they receive some money. The LISS core study is repeated every year and follows the changes in the life course and living conditions of the respondents. In this study the waves of 2014 and 2015 are used. I chose to use these years, because the wave of 2014 contained the highest amount of people searching for a job. In 2014 there were 12286 participants and 10931

of them still participated in 2015. Since this study is focused on the population of unemployed in 2014, a lot of people are not taken into the analysis since they do have work. In this database 2755 participants were unemployed in 2014. However, I specifically look at people who are not just unemployed, but also looking for a job. In total, this population contains 728 people who are on a job search. About 400 of these fall out because of missing values on other variables, leaving 300 valid cases for the first analysis and 355 valid cases for the second analysis.

Independent variables

In this study I use different indicators to measure 'social capital'. I used the following question: 'if you look back on the last six months, with whom did you discuss important issues?' Respondents could fill in a maximum of five persons. I made a variable of the *amount of personal contacts* that counts how many times respondents filled in zero, one, two, three, four or five persons. A following question was whether these persons had a job and respondents could answer either $1 = full\text{-}time$; $2 = part\text{-}time$; $3 = not\,at\,all$. I made this variable dichotomous without making a distinction between full-time or part-time work, and where $0 = no$ and $1 = yes$. Again I created a new variable of the *amount of personal contacts that work* that counted how many of the respondent's contacts have a job, ranging from zero to five.

The variable *work experience* has been made out of six variables. It is a dichotomous variable where $0 = no\,work\,experience$ and $1 = work\,experience$. The first category contains three variables and consists of people that are 'first-time job-seekers' and 'pupils and students'. The description of this latter group does not specifically say that they are looking for a job, but this group is selected on this. Thus students or pupils that are not looking for a job, are not included in the analysis. The dataset also included the question 'have you ever performed paid work in the past' where $0 = no$ and $1 = yes$. Respondents could only answer this question when they had not filled in that they currently have a job earlier in the questionnaire. Everyone who answered no on this question also belongs in the group of unemployed without work experience (N = 786). The second category of people with work experience contains four variables and consists of people 'looking for a job after they lost their previous job', 'looking for a job after a lengthy interruption' and 'people who are not working now, but have worked before'. Again, this latter group is selected on people who are on a job search, or else they are not included. The people who had answered yes to the question if they had ever performed paid work are included in this group (N = 2358).

Dependent variables

For the first and last hypothesis I use the variable *job*, which is dichotomous and shows which people that are taken into the analysis are either employed or still unemployed in 2009 after being unemployed in 2008. The variable consists of 0, which contains the people that are still unemployed, and 1, which shows the people that are now employed.

For the second hypothesis, I use 'social capital' as a dependent variable. As said before, the respondents could fill in the names of people with whom they had discussed important issues in the last six months. The participants also had to answer how they knew these persons, choosing between the following options: 1 = *partner*; 2 = *parent*; 3 = *brother/sister*; 4 = *child*; 5 = *other family member*; 6 = *colleague*; 7 = *is part of the same group/club*; 8 = *neighbor*; 9 = *friend*; 10 = *advisor*; 11 = *other*. Based on this question I made three variables: *ties with family, ties with friends* and *ties with acquaintances*. Each of these variables counts how many times a respondent filled in either family members, friends or acquaintances and these variables are also ranging from zero to five. The variable *ties with family* consists of partners, parents, brothers and sisters, children and other family members. *Ties with friends* simply consists of friends, which is answer nine. Colleagues, group members, neighbors, advisors and others were all considered to be acquaintances and thus belong in the variable *ties with acquaintances*.

Control variables

The analyses in this study will be controlled for *gender*, *level of education* and *age*. The analysis is controlled for gender, because women's employment has only increased since the last few decades (England, 2005). Therefore, there still might be a little discrimination towards women on the labor market. In this dataset *gender* is a dichotomous variable, where 0 = *male* and 1 = *female*. The amount of men and women in this sample is about the same.

The *level of education* is the respondent's highest level of education. I control for education, because it is well known that the higher educated have better chances on the labour market than the lower educated (Kerckhof, 2002). The respondent could choose between six different answers: 1 = *primary school*; 2 = *vmbo (intermediate secondary education, US: junior high school)*; 3 = *havo/vwo (higher secondary education/preparatory, US: senior high school)*; 4 = *mbo (intermediate vocational education, US: junior college)*; 5 = *hbo (higher vocational education, US: college)*; 6 = *wo (university)*. In this sample most people have completed mbo (intermediate vocational education) or hbo (higher vocational education).

The variable *age* is a continuous variable. This variable is considered as a control variable because it is likely that people without work experience are younger than people with

work experience. The interesting part in this study is the possible effect of having work experience and not the age of the respondents. In this sample the minimum age is 16 years and the maximum age is 65 years old. Everyone older than 65 years and younger than 16 years is not interesting for this study, since they are not representative for people that are looking for a job.

Statistical analysis

To analyze the effect of social capital on employment I made use of a logistic regression for the first and last hypotheses. This analysis is used to model dichotomous outcome variables. In this case the variable *job* will be the outcome variable. It is also possible to take control variables into the analysis. For the other hypotheses I used an ordinary least squares regression, which analyses continuous outcome variables. In this analysis the outcome variable will be social capital, or more specifically, the ties with respectively friends, acquaintances and family members. This test can also take control variables into account.

Table 1: Descriptive statistics of job seekers for the logistic regression.

	N	Minimum	Maximum	Mean	Standard deviation
Social capital					
Amount of personal contacts	300	1	5	3.5600	1.40224
Amount of personal contacts that work	300	0	5	1.1233	1.75644
Work experience	300	0	1	0.6767	
Employed in 2009	300	0	1	0.3833	0.48701
Gender (female = 1)	300	0	1	0.6200	
Education	300	1	6	3.54	1.461
Age	300	16	65	39.47	15.642

Table 2: Descriptive statistics of job seekers for the ordinary least squares regression.

	N	Minimum	Maximum	Mean	Standard deviation
Work experience	355	0	1	0.6676	1.40224
Social capital					
Amount of personal contacts that work	355	0	5	1.1493	1.76364
Ties with friends	355	0	5	1.4901	1.37852
Ties with acquaintances	355	0	5	0.2028	0.71584
Ties with family	355	0	5	0.8563	1.40989
Gender (female = 1)	355	0	1	0.6197	
Education	355	1	6	3.48	1.477
Age	355	16	65	38.37	15.415

Results

For the first hypothesis I measured whether the amount of contacts influences the chances of getting employed. This effect is shown in table 3. The variable *work experience* is not relevant for this hypothesis and will be discussed later in this section. The first hypothesis predicted that unemployed with more social capital have a higher chance to get employed than unemployed with less social capital. Table 3 shows that the amount of personal contacts indeed somewhat causes a higher chance on finding a job, but this effect is not significant (B = 0.146, p = 0.261/2). The amount of personal contacts that have a job shows a stronger effect, where people with a higher amount of contacts that work have higher chances for getting a job, but this effect is also not significant (B = 0.149, p = 0.134/2). Therefore, based on this analysis, it cannot be concluded that unemployed with more social capital have a significantly higher chance to get a job than unemployed with less social capital. The control variables do show significant effects. First, men have a higher chance to find a job than women (B = -0.714, p = 0.009/2). Secondly, education is positively related to employment. The higher educated have more chances to find a job than the lower educated (B = 0.184, p = 0.060/2). And lastly, when people age the chances on getting a job decreases (B = -0.036, p = < 0.001).

Table 3: Logistic regression of the effects of the amount of social capital on employment. Log-odds and standard errors.

	Log-odds	S.E.
Social capital		
Amount of personal contacts	0.146	0.130
Amount of personal contacts that work	0.149	0.099
Work experience	-0.525	0.366
Gender (female = 1)	-0.714**	0.273
Education	0.184*	0.098
Age	-0.036***	0.012
Constant	0.439	0.658
Nagelkerke Pseudo-R2	0.204	

Note: N = 300.

* = $p < 0.05$; ** = $p < 0.01$; *** = $p < 0.001$.

The second hypothesis goes in more depth and looks at which social contacts unemployed use in their job search. It is divided in three different hypotheses. A distribution of the dependent variables is shown in figure 1. It should be remembered that these variables are representative of the answers on the question with whom the respondents had discussed important issues during the last six months. This figure indicates that, surprisingly, people with no work experience on average have a higher amount of contacts when it comes to all the variables than people with work experience. The amount of contacts that are acquaintances is very small for both groups. The greatest difference lies in the amount of friends, which is larger for unemployed with no work experience. The effects of these hypotheses can be seen in table 4, which shows the main effects of each dependent variable as well as the effects when controlled for gender, education and age.
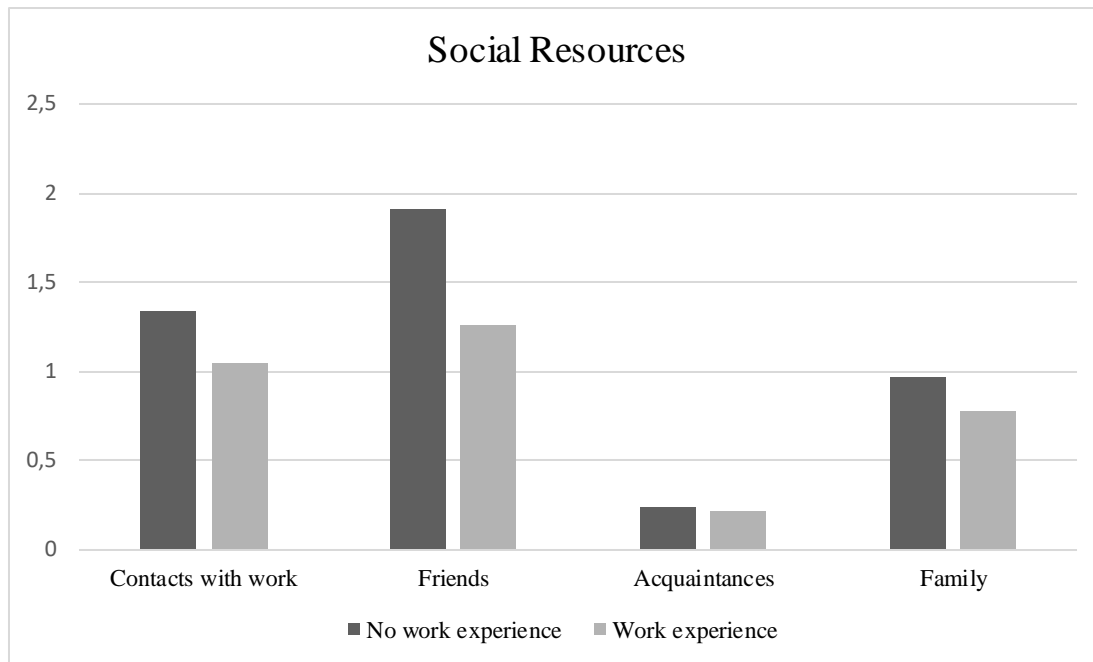
Figure 1: Distribution of the average amount of personal contacts that have job, friends, acquaintances and family members for unemployed without work experience and with work experience.

Hypothesis 2a predicts that unemployed with work experience have more contacts that have a job than unemployed without work experience. Model 1 in table 4 shows the main effect of work experience on the amount of personal contacts that work and it can be seen that unemployed without work experience have slightly more personal contacts with a job (B = -0.289, p = 0.146/2). This is just a very small effect and not significant. After including the control variables in model 2 the effect stays as good as the same (B = -0.353, p = 0.177/2). Education, however, shows a strong significant effect. The higher educated have more contacts with work than the lower educated (B = 0.301, p < 0.001).

Hypothesis 2b predicted that unemployed with work experience make more use of their ties to friends and acquaintances than unemployed without work experience. Again the shown effect was contrary to what was expected. Model 3 shows that unexperienced work seekers significantly make more use of their friends when it comes to important decisions than job seekers with work experience (B = -0.652, p < 0.001). Although the direction of this effect stays the same after including the control variables, as shown in model 4, it loses it significance (B = -0.226, p = 0.257/2). This is due to the variables *gender, education* and *age*, where this last variable shows a significant effect. Younger people discuss important issues more with friends than older people (B = -0.019, p < 0.001). When looking at the ties with acquaintances, the

model does not provide any significant effects. The main effect in model 5 slightly indicates that people without work experience have more ties to acquaintances than people without work experience (B = -0.031, p = 0.716/2). This effect increases a little bit after including the control variables in model 6 (B = -0.120, p = 0.303/2) and the control variables also do not show any significant effects. The results of the effect of work experience on the ties with friends and acquaintances do not provide enough evidence to state that unemployed without work experience discuss important matters significantly more often with friends and acquaintances than unemployed without work experience. At least, it can be concluded that hypothesis 2b cannot be confirmed.

The last of these three hypotheses, hypothesis 2c, predicted that job seekers without work experience make more use of their ties with family members than job seekers with work experience. The main effect in model 7 indicates that job seekers without work experience indeed seem to make more use of family members when it comes to important matters than job seekers that have worked before, but no significance is shown (B = -0.192, p = 0.215/2). However, this effect becomes greater and also significant in model 8 where the control variables are included (B = 0.352, p = 0.088/2). Gender and education show significant effects. Women make more use of their family ties for discussing important issues than men (B = 0.358, p = 0.019/2) and the higher educated use more family contacts than the lower educated (B = 0.115, p = 0.024/2).

Table 4: OLS regression of the effects of work experience on social capital. Unstandardized regression coëfficiënts, standard errors in parentheses.

	Model 1[a]	Model 2[a]	Model 3[b]	Model 4[b]	Model 5[c]	Model 6[c]	Model 7[d]	Model 8[d]
Work experience	-0.289 (0.198)	-0.353 (0.261)	-0.625*** (0.150)	-0.226 (0.199)	-0.031 (0.086)	-0.120 (0.116)	-0.192 (0.155)	-0.352* (0.206)
Gender (female=1)		0.245 (0.190)		-0.215 0.147)		-0.034 (0.086)		0.358** (0.152)
Education		0.301*** (0.063)		0.018 (0.049)		0.012 (0.029)		0.115* (0.051)
Age		-0.005 (0.008)		-0.019*** (0.006)		0.004 (0.004)		0.003 (0.006)

Note: N = 355.
This model contains different dependent variables. These are respectively a: the amount of personal contacts with a job; b: the amount of ties with friends; c: the amount of ties with acquaintances; and d: the amount of ties with family members.
* = p < 0.05; ** = p < 0.01; *** = p < 0.001.

The last hypothesis stated that unemployed with work experience have a higher chance to find a job than unemployed without work experience. Since hypothesis 2 turned out to have different effects than was expected, it is likely that the same applies to the third hypothesis. Job seekers with work experience have less contacts with a job and significantly make less use of friends and family members when discussing important matters. Referring back to table 3, we can see that unemployed with work experience indeed do not have a higher chance to find a job than job seekers without work experience. What more, the effect is even reversed, although still not significant. Table 3 shows that unemployed without work experience have a higher chance to find a job than unemployed with work experience (B = -0.525, p = 0.051/2). Therefore, hypothesis 3 can also not be confirmed.

Discussion and conclusion

In this paper I researched the effects of social capital on employment and looked whether work experience had a role in this. Granovetter (1973) was the first to show the importance of personal networks for success at the labor market, and after him many followed (Sprengers et al., 1988; Korpi, 2001; Lancee, 2012; Hällsten et al., 2016). However, research of the effects of social capital on employment was still needed. Earlier research on this subject contained specific populations such as unemployment among youth or unemployed trying to re-enter the labor market. This research not only looked at both of these populations, but also compared them to each other. Therefore, it provides an expansion of the studies of the effects of social capital on employment.

Following previous work, I expected that when someone's social resources increase, his chances on entering the labor market also increase. To test this, I made use of the data of the LISS panel, collected by CentERdata. This is an internetpanel that is repeated every year among the respondents and follows their changes in the life course and living conditions. In this study, the respondents who were searching for a job were taken into the analysis. By using both a logistic regression and an ordinary least squares regression I was able to draw conclusions about the hypotheses.

The first hypothesis predicted that unemployed with more social capital have a higher chance to find a job than unemployed who have less social capital. Although the results indicated this direction to be true, it did not provide any significant evidence for the first hypothesis. Therefore, this hypothesis cannot be confirmed. In this analysis, 'social capital' was

measured as the amount of people the respondent had discussed important issues with during the last six months and whether these people had a job or not was also included. The amount of personal contacts did not have a significant effect on employment. This is probably due to the fact that respondents could only name five persons, which does not say much about the capacity of someone's network. However, the effect was stronger for the amount of personal contacts with a job. The results showed this effect to be very near to a significant effect. Although hard conclusions cannot be drawn, the results do indicate that having personal contacts with a job is valuable in the search for a job. Again, this effect would probably be even greater in a dataset with a more complete overview of someone's network.

In this study I also wanted to look whether the type of contacts differ between people with work experience and without work experience. I wanted to do this because it is likely to believe that the contacts of people without work experience are different to the contacts of people with work experience. The last hypothesis predicts that unemployed with work experience have a higher chance to find a job than unemployed without work experience. If the results of this hypothesis show any difference, the different type of contacts could be an explanation of the difference of the chances of employment. Therefore, hypothesis 2 is divided in three hypotheses. Hypothesis 2a predicted that unemployed with work experience have more personal contacts with a job than unemployed without work experience. I analyzed this by looking at, when it comes to discussing important matters, which type of personal contacts the respondents use. It has to be said that this measure was not specifically about work-related issues. Although the population of the analysis consisted only of people looking for a job, which increases the likelihood of discussing this with others, 'discussing important issues' is a very broad concept and thus there is a plausible chance that there is some error in this. In this population, people without work experience filled in on average more contacts than people with work experience. This might explain why there was barely a difference in the amount of contacts with a job for people with and without work experience. Therefore, hypothesis 2a was not confirmed. Hypothesis 2b expected that people with work experience have more contacts that are friends and acquaintances than people without work experience. The amount of discussing important issues with friends was much higher among people without work experience. This is probably due to the fact that this group is on average much younger than people with work experience. The significant effect was gone after including the control variables, and in this model age showed a significant effect. There was also no significant difference in ties with acquaintances. Therefore, hypothesis 2b could also not be confirmed. Lastly, there was a significant difference between discussing important issues with family

members and thus hypothesis 2c was confirmed. Unemployed without work experience do have more contacts that are family members than unemployed with work experience.

Hypothesis 2c was the only hypothesis that provided statistical evidence. That this was not shown in the previous hypotheses could explain the results of the last hypothesis, which predicted that unemployed with work experience have higher chance of finding a job than unemployed without work experience. However, the results from the logistic regression indicated that unemployed without work experience had a higher chance to find a job than unemployed with work experience. Although this effect was not significant, it was contrary to what was expected. Age had a very strong significant effect on the chances of getting employed. Younger people had more chances on finding a job. Since the analysis was controlled for age, the reversed effect of work experience was not due to age. However, in the previous conclusions about the second hypothesis, we saw that people without work experience made much more use of their personal contacts when it comes to discussing important issues. It looks like this group makes more use of their social resources than unemployed with work experience, which can increase their chances of entering the labor market.

Although the results in this paper indicated the directions of the effects, there were almost no significant effects. This could be due to the size of the population, which was unfortunately much smaller than in previous work on this field. The smaller the population size, the harder it gets to show significant effects. On the other hand, if there truly is a great effect then small sample sizes will also show this to be significant. However, this could be an explanation why the first hypothesis could not be confirmed based on statistical evidence where it was confirmed in other previous studies. Nevertheless, this small sample size is a limitation of this study since many cases were lost, which makes it less generalizable.

Future research could pay more attention to the effects of online social networks on employment. A first great advantage of studying online social networks is that it is an easy and fast way to gain knowledge about people's entire networks (Xiang, Neville & Rogati, 2010). It is plausible to argue that younger people have a greater online social network than older people. The first group grew up with computers and mobile devices from as good as the beginning of their lives. These devices are needed for getting online social networks. This type of network also consists of both strong and weak ties (Gilbert & Karahalios, 2009), thus analyzing the different influences of these ties is possible in an online social network. For example, a few studies about LinkedIn, a site for one's professional network, are in existence. However, this has focused more on how LinkedIn profiles differ between different occupations (Zide, Elman, Shahani-Denning, 2014). One could research the effects of having a LinkedIn profile on the

chances of employment. The idea that online weak ties would provide a higher chance of employment is in line with Granovetter's (1973) theory about the strength of weak ties.

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