

# **An Exploration into the Efficacy of African Americans' Job Referral Networks**

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Little is known about the nature and extent of African Americans' job referral networks. Nor is it clear how effective they are at linking job-seekers to jobs. What is known, however, suggests that African Americans' job referral networks function less effectively than those of other racial and ethnic groups, in terms of supplying job-seekers with information and influence to facilitate job acquisition. To fill the gap in our sociological knowledge, I propose three questions as a starting point for a research agenda designed to investigate the efficacy of African Americans' job referral networks within a social capital framework. The questions are as follows: 1) How effective are the contacts of disadvantaged blacks at informing them of employment opportunities and linking them to jobs?; 2) What is the process by which disadvantaged blacks gain access to social resources and mobilize these resources to facilitate job acquisition?; and 3) What impact might one's job referral network have on the probability of being employed generally, and of having a "good" job specifically?

In much of the research on the causes and consequences of urban poverty, social scientists often argue that the relationship between racial and economic segregation and isolation on one hand, and persistent unemployment and joblessness on the other, is mediated by individuals' connections to mainstream social contacts; those positioned in such a way as to supply job information and influence employment outcomes (Wacquant & Wilson 1989; Wilson 1996, 1987; Van Haitsma 1989). Essentially, this discussion hypothesizes that disadvantaged blacks lack the social capital necessary to become linked to jobs because they lack the contacts who can provide job information. While I do not argue against this assessment, I suggest that the disadvantaged also suffer from less efficacious job referral networks for two additional reasons: 1) their contacts may be reluctant to produce referrals on their behalf; and 2) employers may be reluctant to accept referrals by their black employees. In other words, three factors are implicated rather than only one as implied in previous work.

## **Lack of Job Contacts**

Among employed African Americans, personal contacts are an extremely important source of job-matching (Taylor & Sellers, 1997), accounting for 40 to 60% of job-matching methods. While blacks are generally less likely than Latinos to have been linked to their jobs through personal contacts, they have similar rates of job-matching through contacts as their white counterparts. Corcoran, Datcher, and Duncan (1980) found that while 58.5% of black men and 43% of black women reported finding their jobs through friends and relatives, similar percentages of white men (52%) and women (47.1%) reported personal contact use. Falcon (1995) found that 62.4% of Latinos reported being linked to their current jobs by their personal contacts compared with only 45.4% of blacks and 39.5% of whites, Smith (1998) found that 72.2% of Latinos, 48.6% of blacks, and 49.6% of whites were linked to their jobs in this manner.

Evidence indicates that job-matching methods also differ by social class status. Green, Tigges, and Browne (1995) found that although 44% of workers were linked to their jobs through friends and relatives, the poor were significantly more likely to rely on their personal contacts to this end. Whereas 68% of the poor reported being linked to their jobs by informal contacts, 43% of the nonpoor reported using contacts to find their jobs. Not only were the poor more likely than the nonpoor to rely on personal contacts as a method of job search, they were also more likely to be linked to their jobs in this manner. Thus, for a significant proportion of employed blacks, poor and nonpoor, personal contacts play a pivotal role in finding employment. For a significant proportion of the unemployed then, the lack of job referral networks may also play a pivotal role in maintaining their weak attachment to the labor market.

The consequences of limited job contacts cannot be ignored, for without job contacts the ability to obtain employment may be significantly hindered. Newman and Lennon (1995) argue that the ability to find low-wage jobs is often affected by personal contact use during the job-search process. In their study of over

200 workers in Harlem, they found that, when comparing recently hired and rejected job applicants with similar human capital characteristics, applicants who used personal contacts were significantly more likely to be hired. While less than one-quarter of applicants who used personal contacts were rejected, over three-quarters of applicants who did not use personal contacts were turned away. Newman and Lennon's findings are consistent with those of Fernandez and Weinberg (1997) who used data from a large retail bank to investigate the effect of preexisting personal ties on the hiring process.

Examination of their data revealed that job-seekers who were referred get further along in the recruitment process and were more likely to be hired than were those who are not referred. Whether examining the job-search strategies of low-wage, service sector employees or white-collar, professional workers, the findings of Fernandez and Weinberg (1997) and Newman and Lennon (1995) help to establish a pattern in which job-seekers who lack personal contacts are disadvantaged in the matching process relative to applicants who utilize contacts.

Evidence suggests that disadvantaged blacks have significant obstacles during the job-search process because they lack the contacts to link them to jobs. In their examination of the social capital of Chicago's low- and extreme-poverty area residents, Wacquant and Wilson (1989) found that extreme-poverty area residents were less likely to have a high school diploma or GED, more likely to receive public assistance, and less likely to be steadily employed. Because extreme-poverty area residents are less likely to have access to employed others, Wacquant and Wilson reason that their social ties are less likely to inform them about employment opportunities and link them to jobs. In other words, the job referral networks of poor blacks lack efficacy because they lack employed ties.

There are reasons to believe, however, that the relative inefficacy of disadvantaged blacks' job referral networks is not due entirely to the lack of job contacts. First, the finding that disadvantaged blacks are less likely to have employed adults in their social networks is based on data that only examines discussion networks, those relations with whom individuals discuss "important" matters. This essentially represents a strong tie analysis and overlooks the presence of weak ties, the type of tie most likely to provide information about new job opportunities (Granovetter 1995, 1983). Indeed, it is not unusual for disadvantaged blacks to have acquaintances and extended kin who are doing comparatively better socioeconomically (Newman forthcoming 1999; Stack 1974), even while they themselves struggle to survive. Second, research by Newman (1995) indicates that disadvantaged blacks do indeed have access to some job contacts, although few that provide opportunities for upward mobility.<sup>1</sup> In other words, there appears to be more to the story of disadvantaged blacks' job referral networks than that they lack job contacts. To rely solely on disadvantaged blacks' lack of job contacts as an explanation for the relative ineffectiveness of disadvantaged blacks' job referral networks represents a significant gap in the literature. What is missing is an explanation for why blacks' job contacts, when they do exist, nevertheless fail to facilitate job acquisition.

### **Contacts' Reluctance to Produce Referrals**

In addition to having fewer employed ties from which to receive job information, disadvantaged blacks may also suffer from contacts who are reluctant to produce referrals (Granovetter on Waldinger 1995; Newman 1999). Given the low status and low wages of many jobs held by disadvantaged blacks, they may be unwilling to inform job-seekers in their network of job opportunities because they are either too ashamed of their jobs, or because they assume that job-seekers may not want employment in low-status, low-wage jobs. Blacks' contacts may also be reluctant to provide job information for fear that their referrals might prove unreliable, thus making them look bad in the eyes of their employers and coworkers.

While I am unaware of research that addresses the "shame" factor, Newman's research of low-wage workers in Harlem provides evidence to support the "holding back" factor; that contacts are often reluctant to produce referrals, usually after having been burned by previous bad referrals (Newman forthcoming 1999). While this practice of holding back is not particular to disadvantaged blacks, it may be particularly problematic for them. Because disadvantaged blacks have weaker attachments to the labor market, their

contacts may be less likely to view them as suitable referrals, thereby reducing the likelihood that they will supply employment information, and further diminishing hopes of gaining entry into the world of work.

### **Employers' Reluctance to Accept Black Referrals**

The scant research that exists in this area also suggests that blacks' job referral networks may be less functional than those of other racial and ethnic groups because employers are reluctant to accept referrals by their black employees (Neckerman & Kirschenman 1991). The research in this area indicates that referrals made by black employees are less likely to be hired than those of other race and ethnic groups (Holzer 1988; Newman forthcoming 1999; Waters forthcoming 1999). For example, Newman found that although employers are not totally adverse to hiring black referrals, when given the option, they much preferred to hire the referrals of other racial and ethnic groups.

Waters's research provides evidence to support both hypotheses. In her study (forthcoming 1999) she found that immigrant workers, who were predominantly foreign-born blacks, appeared to have more efficacious job referral networks than those of native-born blacks. Of the small proportion of American blacks who were employed at the time of the study, the overwhelming majority had been hired before the company began using employee referrals as their primary source of applicant recruitment. After informally institutionalizing employee referrals as a means of recruitment, American blacks were largely shut out of the screening and hiring process while the proportion of Caribbean black workers at the firm skyrocketed. Waters' evidence suggests that this pattern resulted because foreign-born blacks aggressively inform and recruit individuals from their network of ties, while native-born blacks are considerably less likely to do so. Moreover, even when natives do produce referrals, their recruits generally do not work out as well. These employers, practicing statistical discrimination, are less likely to hire them. Studies such as these suggest that while personal contacts play an important role in the matching process, their effectiveness is contingent on the race and ethnicity of the job contact and the job-seeker.

### **Why Should We Care?**

The perennial question is "why should we care?" Very simply, we should care about the efficacy of blacks' job referral networks because those most in need of assistance are those most disadvantaged in the job-matching process and most likely to suffer from an ineffective job referral network. Unlike more "mainstream" blacks who can rely on their skills, education, or previous work experience to secure employment, disadvantaged blacks are more likely to lack the human capital necessary to get them in the door. Their job referral networks, then, become incredibly important in linking them to the labor market. However, if disadvantaged blacks are more likely to be embedded in networks of non-working ties, if their contacts are less likely to inform them of job opportunities, and if employers are less likely to hire the referrals of their black employees, their disadvantages in the labor market are further compounded.

### **Future Research**

To better understand the nature of African Americans' job referral networks and the extent to which they are effective in linking contacts to employment, I propose that we examine them within a social capital framework. Drawing on Lin et al.'s conceptualization of social capital as the "resources embedded in a social structure which are accessed and/or mobilized for purposive actions" (1998: 4-5), I suggest a micro-action level analysis of African Americans' job referral networks to determine the extent of embedded resources among African Americans as a collective group, the extent to which individuals have access to these embedded resources, and the extent to which they can and do mobilize these social resources to achieve their end.

An approach of this kind could accomplish several research goals. First, such an analysis would allow us to determine how African Americans perceive the employment assets of the general black community and how this perception affects their opinions of the availability of jobs (especially "good" jobs) and the probability that they will become linked to these jobs. Second, by examining their embeddedness in networks of working ties, we can determine the extent to which African Americans have access to employed others and the types of jobs potentially available. Third, this line of research avoids the

assumption in previous work that individuals who are embedded in networks of working ties can mobilize these resources to find work. Potential job contacts may or may not be willing to aid job-seekers in the job-matching process for a number of reasons. Moreover, contacts may be unable to secure employment for their friends, family, and acquaintances, even when they are aware of opportunities. A thorough examination of the nature and extent of African American job referral networks would allow us to determine very generally the obligations, expectations, and issues of trust associated with the exchange of job information and influence, and specifically, under what conditions these social resources will or will not be mobilized to facilitate the acquisition of jobs, especially good jobs.

Currently, data are lacking to examine African Americans' job referral networks within a social capital theoretical framework. The most recent survey data collected, the Multi-City Study of Urban Inequality, has advanced this area significantly by collecting some data on respondents' networks and social functioning, thereby allowing analysis of the relationship between embeddedness and employment outcomes. However, to my knowledge, survey data do not exist which allow the thorough examination of job networks that I have proposed here.

To remedy this gap, I recommend a mixed methods approach to data collection. The first component of data collection would employ survey methods to address issues of: 1) employment assets embedded in the African American community, 2) embeddedness in personal networks of working ties, and 3) mobilization of these social resources. To get at these issues, respondents would be asked their perceptions of the type of jobs African Americans typically hold, the proportion and number of family, friends, and acquaintances who work and the type of jobs they hold, the frequency with which they hear about job opportunities (within a given period of time), the type of jobs about which they are informed, and the level of assistance offered to make the match. Conversely, respondents would be queried about the frequency with which they inform others about job opportunities, the type of jobs about which they inform, and the type of assistance they offer to facilitate a job match. Moreover, respondents would be asked who among their contacts they would gladly inform of job opportunities and influence outcomes, who among them they would refuse to supply information and positively impact outcomes, and why.

Because this is basically an untapped area of research, in-depth interviews would also represent an important component of data collection. In the course of identifying the process by which individuals gain access to social resources and mobilize these resources in the job-referral context, we would also be able to identify the obligations, expectations, and issues of trust associated with the exchange of job information and the use of influence, as well as to determine the variety of reasons why these resources may not exist or are not fully mobilized. To this end, a sample of African American respondents would be interviewed in-depth about their perceptions of employment assets within the African American community, the type of messages that they give and receive from family, friends, and acquaintances about the state of employment opportunities for blacks generally, and how these messages shape their conception of work and its role in their everyday lives. Finally, respondents would be asked to describe their past and/or current efforts to mobilize social resources to secure employment on their own behalf or on the behalf of others, as well as to describe experiences in which others have attempted to mobilize them to facilitate job acquisition.

This research agenda represents one of the first attempts to employ social capital theory to understand the nature and extent of African Americans' job referral networks. Not only will this research expand our understanding of the process by which individuals in the African American community access and mobilize resources of the collective to get jobs, but it will provide us with a better understanding of how these social resources mediate the relationship between racial and economic segregation and isolation on one hand, and unemployment and joblessness on the other.

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1 She describes two types of “occupational social networks.” The first, termed lateral social networks, provides access to contacts who are located laterally in the social structure, allowing sideways movement in the labor market, as from one fast food job to another. The second, termed vertical networks, provides access to contacts located higher in the social structure; usually older, middle-class, family members employed in mostly public sector appointments. Newman contends that while neither of these occupational social networks provides opportunities for upward mobility, “lateral networks are useful, particularly for poor people who have to move frequently, for they help ensure a certain amount of portability in the low-wage labor market” (1995: 26). However, vertical networks are generally unable to facilitate job acquisition because the industries that once employed blacks at high rates and gave them port into the middle-class are no longer hiring as they did a generation ago (also see Waldinger 1996). Therefore, the networks of disadvantaged blacks may be unable to help them access good jobs, but there is some evidence that they can provide job-seekers with access to work generally.

2 She found that the referrals of native-born blacks were less likely to accept low wages and were less flexible in performing tasks outside their job description.