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### **Is the Hidden Job Market a Myth? A Quintessential Careers Investigative Report**

#### **Analysis by Katharine Hansen, PhD**

For years, I've been among many career experts who have explained that the No. 1 reason networking is so important and effective is that the vast majority of jobs are never advertised – thus, the only way a job-seeker can find out about these jobs is through word-of-mouth. And it's only through networking that job-seekers can hear word-of-mouth news of unadvertised vacancies. This "vast majority" of unadvertised jobs is commonly referred to as the "hidden job market," and published estimates of the size of this enormous cache of jobs have ranged from 75 to 95 percent of the total job market.

Given this commonly accepted concept, I was shocked to read a 2009 statement by a respected consultant, someone who knows the world of hiring extensively, having worked with hundreds of employers, that the hidden job market is one of the biggest myths of job-hunting; that, in fact, it doesn't exist: "Maybe a few thousand out of 20 million jobs are unpublished, and they are primarily at or near the C-level," said Gerry Crispin, who with partner Mark Mehler, operates CareerXroads®, which consults with corporations in career planning and placement, contract recruiting, executive search, recruitment advertising, and human-resource management.

My astonishment at this statement and its implications for advice routinely given to job-seekers inspired me to learn what other experts had to say about Crispin's assertion. With his permission, I shared Crispin's opinion with more than 70 experts in the career-management, employment, recruiting, and hiring sectors.

The majority refuted Crispin's opinion that the hidden job market is a myth, though few offered concrete evidence in favor of the hidden market. Some agreed with him. Others contended that the hidden job market is real, but that problems exist with the concept:

Definitions and interpretations of the "hidden job market" may not reflect reality, and perhaps "hidden" is not the best term for this sector of available jobs.

Those who are skeptical about the hidden job market generally admit it exists but dispute commonly bandied-about figures – that the hidden job market comprises 75-95 percent of the job market – contending that the portion of the job market that is unadvertised is much smaller. The size of the hidden job market may also fluctuate based on the economy, some say

Let's look at these issues separately.

## Is New Terminology Needed?

The exact origin of the term "hidden job market" is elusive, but the word "hidden" was likely chosen because the jobs the hidden job market refers to are not readily visible to job-seekers. They are not posted on job boards, company career sites, newspapers, or anywhere else. Some jobs considered part of the hidden job market are visible, but only to small, closed subset of the public; for example, internal employees may know about an opening and be asked to refer qualified members of their network to apply. Or, a vacancy may be known only to a search firm or executive recruiter conducting a confidential search to fill that opening.

As Kenny McAllister, managing director at Aquila Consulting Group in the UK, points out, "hidden job market" has become "a convenient way of describing something intangible and something that is not necessarily easily or readily quantifiable." Adds Mark McNabb, vice president of the Insurance Division of Hoffman Recruiters, Boston, "How do you count something that's hidden?" And Australian freelance business writer Clayton Jan notes that "the 'hidden job market' is one of those terms that sounds mysterious, exciting, and yet sounds like something that can be accessed by job-seekers." A better term, Jan says, might be "work or employment that is gained by informal or non-public means."

One problem with the word "hidden," is the implicit notion that employers are deliberately hiding jobs from the public, an idea that Crispin ridicules:

The alternative [to believing the hidden job market is a myth] is to believe that there is a purposeful strategy employed by tens of thousands of companies to not make public notice of positions they want to fill. Ridiculous. And, since it is impossible to find a single firm that admits to keeping their open positions a secret, that would mean they conspire to keep the "market" hidden from job seekers. Gotta be kidding me.

"It's a language problem," says career coach Nick Gendler, London, UK. "Who would 'hide' the fact that they are recruiting?" Instead of "hidden," then, perhaps a term like "unpublicized," "unpublished," "unadvertised," or "unposted" job market would be more accurate. (For the rest of this analysis and its companion article, How to Tap Into Jobs in the Unpublicized Employment Market, Quint Careers chose "unpublicized.")

No one consulted for this article believes employers engage in a purposeful strategy of not publicly making visible the vacancies they want to fill, but many experts did suggest reasons that employers may postpone publicizing or decline to publicize an opening:

**The employer needs to confidentially replace a nonperformer.** Robert Williams, executive search consultant at MRCP Group, notes that the employer doesn't want the person being replaced to be aware he or she is being ousted until the replacement has accepted the position.

The employer at a public company fears news of significant hiring will hurt stock prices. The employer does not want to reveal future plans to competitors and others, and publicizing openings could expose those plans. "The job cannot be posted because it could tip off competitors of a new project or change in market direction," explains Tony Deblauwe, workplace consultant and founder of HR4Change. "I have worked with

companies that started a stealth start-up group inside a division. No job posting existed, and the recruitment team sourced internal and external candidates,” Deblauwe says.

**The employer wants to get referrals before or instead of publicizing the vacancy and being inundated with resumes from unqualified candidates.** This reason was the one experts mentioned most often for why employers resist publicizing jobs, advertising them only as a last resort. “Hiring managers would prefer to hire someone they know, like, and trust,” notes psychologist and career coach Janet Civitelli, Ph.D., of VocationVillage.com. “If they cannot identify a known candidate to hire, they will settle for a referral from someone they know, like, and trust. Their absolute last choice is to advertise the job, sort through hundreds of resumes, and hire someone with no connection to anyone in the hiring manager’s network.”

**The employer hires a search firm or recruiter to conduct a confidential search.**

**The employer uses social media or other non-advertising means to find candidates.** In many cases, the employer uses social media to search for appropriate candidates to woo, but some also use social media as a substitute for advertising openings. “My old boss was just twittering yesterday that they were hiring two new sales reps,” recalls travel blogger Chris Christensen, “so I checked, and sure enough the company Website still says ‘We currently have no openings.’” Christensen thus describes a case in which openings are publicized, but not through the channels job-seekers have come to expect. Job-seekers have only recently begun to look at social-media outlets like Twitter for information about job vacancies.

**The employer may be very small and does not have the resources to advertise the opening.** “I would confidently surmise that a large portion of the openings at these smaller firms do not get publicly advertised,” McNabb says. “They are filled using recruiters, internal referrals, and industry networking.” Williams agrees: “Let’s also not forget that most jobs are created by small businesses in America, many of which don’t have an in-house IT staff to update their Websites and run a jobs board,” says Williams, who notes that small firms often hire from local contacts, trade unions, industry associations, and even family rather than through advertising. Even larger companies may be reluctant to spend money to advertise openings. “In the pharmaceutical sales field, we try to recruit from within or through contacts from our existing sales force before announcing job openings to the public,” says former pharmaceutical-industry national sales manager Clint Cora. “The costs of recruiting internally and without having to go public are less, plus they are referrals from known company staff. Only when we can’t find suitable candidates this way do we go public.”

Responding to Crispin’s statement that “firms publish every job on their site that they have open,” Williams notes, “A large company without a jobs board is unusual, but what is large? I know of companies with fewer than 100 employees with great job boards, and I know of companies with over 1,000 employees without even a Website. All of these companies hire people, but to say that all of the opportunities that exist can be found on the Web is highly questionable.”

**Human error; the employer simply fails to publicize the opening** (e.g., lack of time, forgetfulness). “It’s ‘free’ to advertise jobs on your company’s Website (provided

you have one)," notes a Seattle-area recruiter who asked that her name not be used. "But, it takes effort. If you have to go through IT to get it done, the effort may not be worth it, and you may have the job filled before the job gets posted. If you're a small business and have someone else run your Website, it's going to cost you money, or you're going to have to try to figure out how to do it yourself. And, if you're with a big company and have lots of job openings, you may not have enough hours in the day to post all of them and get all the rest of your responsibilities taken care of," the recruiter says.

Another human error that can result in hidden openings is the poorly designed employer Website. "Many corporate Websites are horribly designed," says career counselor Alan De Back, author of *Get Hired in a Tough Market* (McGraw-Hill). "Job postings are often hidden, and you have to really search to find them. Frequently they are buried somewhere in the 'Contact Us' tab on the Website," he says. De Back also thinks some employers may deliberately make vacancies hard to find on their sites in a weak economy for the same resume-inundation reasons mentioned earlier

**The opening exists, but there's a hiring freeze, so the job cannot yet be publicized.** Another reason for not publicizing an opening is that the job is still in the pipeline. Career marketing coach Mark Hovind, who has a page on the hidden job market on his JobBait site, asserts that most jobs start out hidden, known only to the decision-maker. The employer recognizes a need and decides to create a job, but the vacancy, for various reasons, is not official. Perhaps the skills needed for the job haven't been identified. Maybe the job description hasn't been developed. Possibly the budget to fund the position hasn't yet been worked out. Whatever the reason, the opening isn't ready for prime time and can't yet be publicized. "While the need is real," says David Perry, author of *Guerrilla Marketing for Job Hunters 2.0*, "the job itself remains hidden in the hiring manager's head." Along with many career experts, I've consistently advised that through networking, job-seekers can learn of jobs in the pipeline and position themselves to be considered before the job goes public. "The only successful way to access this market is to reach the hiring managers before they opt to go the advertising or HR route," Perry notes.

Gendler agrees: "From the point at which the employer recognizes the need to take someone on to the point at which that vacancy is put into the public domain can be several months. Yet, the time it is in the public domain is usually only a few weeks. For the vast majority of a vacancy's life it is 'hidden.'"

But Crispin counters that jobs in the pipeline aren't real. "If you want to imagine millions of planned jobs just sitting in a pipeline," he says, "I would suggest that isn't happening except for a very small percentage – thousands at any point in time – not even tens of thousands. No one knows [the number] because they obviously aren't published. Certainly it makes sense to try to dig them out, but except for a few high-level positions, it just isn't going to happen."

Some experts, like the Seattle-area recruiter, take exception to Crispin's dismissal of pipeline jobs. "Guess what? If the right person suddenly appears on the employer's doorstep, the job suddenly becomes real," she points out.

Sharon Rich agrees. Rich, founder of Leadership Incorporated and the Layoff Bounceback program, Los Angeles, says, "I disagree strongly with his contention that a job in the pipeline isn't real," she says. "This is the ideal time for a candidate to be in relationship with a company. I also do not agree that this is a small percentage of what's available. I notice that literally every company I have ever worked with has had many needs that went unfilled, which a person offering a meaningful solution could leverage to generate sponsorship within the company to create budget and push through a job. The opportunity, in my opinion, is unlimited. There is more need out there right now than there has ever been before; therefore, opportunities abound for smart and creative job-seekers."

Interestingly, some publicized jobs also can be characterized as not real because, while legal or other requirements compel the employer to advertise the opening, the hiring manager already knows who he or she plans to hire. "The job-seeker who responded to these ads did not get hired because the person who was referred had an inside track in got the job," observes Duncan Mathison, co-author of *Unlock the Hidden Job Market: 6 Steps to a Successful Job Search When Times Are Tough*. Although a job like this may seem inaccessible to job-seekers because it is "wired" to be filled with someone the employer already has in mind, chances are the person who will be hired got through to the hiring manager before the job was advertised. That's why Mathison counts these jobs as part of the hidden job market even though they are advertised.

### **Size of the Unpublicized Job Market**

While many experts refute Crispin's characterization of the hidden job market as "mythical," some agreed with him that this job market is not nearly as large as has been described. Experts speculated on the size of market and shared plenty of anecdotes in which job-seekers obtained jobs that had not been advertised, but only a few cited what may be definitive statistics on the size of the market. Those stats come from none other than the U.S. government's Bureau of Labor Statistics in a regularly issued report called Job Openings and Labor Turnover Survey, or JOLTS.

As Mathison notes, "according to the Bureau of Labor Statistics, employers always hire more people than they actively recruit. The JOLTS data gathered by the government demonstrates this. At the end of each month, the BLS asks employers how many people they hired and how many they expect to hire ('actively recruiting') in the next month." The gap between open positions for each month and actual hires, Mathison explains, is the hidden job market. "In raw numbers, the hidden market actually grows in weak economies, even though there are fewer positions overall," he says.

Let's look at Mathison's explanation of the JOLTS report that was most current at the time this analysis was written. Between June 2009 and May 2010, 40,831,000 hires were made. The same period saw 25,490,000 advertised openings (positions employers report that are open and if they find a candidate, they can start within the month). The difference, in numbers, is 15,341,000, a gap of 38 percent that fall into the category of the hidden or unpublicized job market. This figure is, of course, significantly lower than the commonly cited 75 to 95 percent characterizing this market, although the Bureau of Labor Statistics makes the statement, "Employers fill the majority of job openings through the unadvertised, or hidden, job market," in its Occupational Outlook Quarterly publication. However, adding in, as Mathison does, positions that are advertised but in

which people the employer already knows are hired, brings the figure to around 70 percent.

### **How people get jobs vs. how employers fill their vacancies**

One argument that experts frequently made in favor of the existence of the hidden job market is the notion that the majority of job-seekers get their jobs through networking. The effectiveness of networking is indisputable and frequently backed up by research (for example, ExecuNet's annual Executive Job Market Intelligence Report, which in 2009 reported that 73 percent of survey respondents found career options through networking, compared with just 14 percent for the next most effective method). But statistics showing how people get their jobs cannot necessarily be extrapolated to show the existence of the hidden job market. Certainly a relationship exists between figures that show how job-seekers find their jobs and those that indicate how employers fill their vacancies, but proof of the effectiveness of networking does not prove the existence of the hidden job market. After all, just because a job-seeker finds a job through networking does not mean the job was not publicized; job-seekers often use their network contacts to get a foot in the door to advertised positions.

Who benefits from promulgating the idea of the "hidden" job market?

Crispin asserts, "Essentially the myth [of the hidden job market] is propagated by all those who stand to gain from introducing you to a firm ... typically third-party firms, job counselors, and authors of job-hunting books." Well, I would seem to be guilty since my book, *A Foot in the Door*, devotes significant attention to what I then called the hidden job market, as do a number of my articles here on Quintessential Careers. But like hundreds of colleagues who also discuss the "hidden" job market, I had no malicious or profit-seeking intent; I simply repeated a well-established (if misunderstood) concept.

Where I do caution readers is to be wary is with practitioners who claim they can, for a hefty fee, help job-seekers penetrate the hidden job market. Any such professional should be carefully vetted, with references checked. Rachel Kaufman, editor of MediaJobsDaily.com, a mediabistro.com blog about careers in the media industry, offers an even stronger caveat: "You shouldn't have to pay a firm, counselor, or author for access to the [unpublicized] market," she says. "But simply being aware that you don't have to wait for a job to be published to apply is a huge benefit for job-seekers."

### **Final Thoughts and Bottom Line**

So where does this analysis leave us? Is there a hidden (unpublicized) job market or not? If the U.S. Department of Labor is to be believed, yes, there is, though it may not be as big as experts have been stating for years. Those concerned with quantifying the unpublicized market should decide whether the Bureau of Labor Statistics figures are the best way to measure this market, and if not, should develop a technique to quantify it. Lots of anecdotal evidence tells of job-seekers who have attained unpublicized jobs. "Hidden," however, is probably not the best descriptor for this market because employers are generally not deliberately hiding vacancies. Regardless of the size of the hidden/unpublicized job market, the evidence is clear that networking is crucial to job-search success and remains the most effective way to land a new job. Job-seekers should consider tapping unpublicized jobs as just one tool in the job-search kit. "The wisest strategy is to pursue both avenues concurrently: respond to actively advertised

positions and the hidden job market,” advises Judi Perkins, the How-To Career Coach and founder of Find the Perfect Job.