

WHY IS NETWORKING SO IMPORTANT?

The Hidden Job Market: The 75 to 95 Percent of Jobs That Are Never Advertised

What's the average person's image of the traditional job-hunting process? Perhaps responding to want ads and Internet job listings and posting lots of resumes online or sending them out cold to likely employers? Most of us know enough about how the job market has changed to realize that such an image is rather antiquated. We know that the job seeker who answers ads, makes cold contacts with employers, and then sits back to wait for results will probably have a long wait indeed. Networking has been touted as a vital part of the mix for more than two decades now. ExecuNet reported that a survey of professionals revealed the top source for job interviews to be networking contacts (46 percent of respondents), followed by Internet job listings, and distantly trailed by unsolicited contact from a recruiter. A separate survey of 181 search firms provides additional insight into the value of a strong network. According to this survey, 63 percent of all executive job openings were filled with a candidate who was sourced through networking during the prior twelve months. Surveys in the years since networking has gained a foothold consistently report that at least half of all jobs come from networking.

Other research asserts that networking ability affects the length and ease of the job search. But how many of us know why networking is so important and why the traditional methods are no longer enough?

It's because the vast majority of job vacancies—estimates range from 75 to 95 percent—are hidden from the average job seeker. These positions are never advertised and are part of the “hidden” or “closed” job market. You can find out about these jobs only through word of mouth, and word of mouth means networking.

The kinds of jobs that are advertised are probably not the ones you want. They tend to be the most competitive, yet lowest-level and poorest-paying positions. The better jobs are rarely advertised; they are most likely ferreted out through networking.

Why Most Employers *Don't* Advertise

Employers' reluctance to advertise is partly tied to the economy. Despite fluctuations, unemployment numbers remain relatively low in the United States. With the vast majority of the adult population employed, employers assume not many prospective workers will be scanning the want ads and Internet job postings. With a limited audience for their ads, employers are disinclined to spend money on advertising for workers.

The second reason is more psychological. The people who read want ads are looking for jobs. While it might seem that an employer offering jobs and people looking for jobs are a perfect match, that's not often the case in the employer's mind. The employer has to wonder, Why is this person looking for a job? The answer that pops into the employer's head, whether fairly or not, is probably not a positive one. People look for jobs, many employers believe, because they are unhappy losers, job-hoppers, or unproductive malcontents who blame poor performance on their employers and believe switching jobs will solve their problems. Employers would rather go after people who aren't necessarily looking for work. In the employer's mind, those people will be successful, productive contributors to the company's bottom line.

Employers also know that the best candidates are likely to be those referred to them through word of mouth. An average company

gets 50 percent of its new hires from a pool of internal candidates and referrals, Taleo Research reports. It is only when employers are truly desperate to fill an opening that they place an ad.

“The last place I want to pull applicants from is the classified ads of major newspapers,” observes Ohio State University career counselor B. J. O’Bruba. “Classified ad applicants are unreferred, untested, and unknown. The first place I look for applicants is within my current or previous organizations or among applicants who were referred to me by professional colleagues and acquaintances. These applicants are better referenced, tested, and known.” Peggy Killian, director of Career Services at Elmhurst College, agrees, “I have discovered through experience that I will hire only people I know through networking.”

Career expert Howard Figler similarly notes, “I would always rather have a recommendation from a friend or colleague because it is easier to believe what that person is telling me. Compared to wading through inflated, distorted, dressed-up resumes from people I know nothing about, a referral from someone I know is pure gold.”

Further, busy employers simply don’t have the time to wade through the mountains of resumes an ad is likely to produce, especially an Internet ad, which can draw thousands of responses because of the relative ease of responding to such an ad. Employers often find it far more efficient to ask their employees and other members of their personal networks to refer high-quality candidates to them.

Finally, the process of defining job vacancies can take a long time. In some companies, a year or more can elapse between initial conceptualization of a job and actually filling the position. Thus, at any given time, theoretical positions may exist within an organization, but the formal mechanisms of funding, structuring, and writing a job description for the position mean that the job cannot yet be advertised. That’s another reason networking is so valuable. If you can tap into a job in its embryonic stages, you will have a huge advantage over those who wait to answer ads. Let’s say Megabucks Corporation is planning a position that you’re well qualified for, but

the firm is six months away from advertising the job. You don't know about the position, but your networking efforts lead you to a key person, Joe Honcho, at Megabucks. After talking with you, Honcho attends a meeting and tells his colleagues, "Hey, I just met someone who would be great for that position we're working on." The management team may even decide to reshape the job to fit your unique qualifications. With his team's blessing, Honcho gets you in for a series of interviews. Megabucks still may not be able to hire you until all the t's are crossed and the i's dotted, but once the job is official, you are in—all before Megabucks even had the chance to advertise the position. Laura Hashim, employment counselor with the New York State Department of Labor, relates a real-life example of getting into the pipeline before a job was advertised: "I called a college friend I hadn't seen in a year just to see how she was, and she asked me to send my resume to her boss. Her boss was about to advertise a position being vacated the next month. I was the only person interviewed and got the job."

[FOOT NOTE]

"Networking is the way to go for not-so-obvious occupations," observes engineering placement recruiter DeLynn Davenport. "I am a recruiter, but I am looking for a position that will make use of my French degree (and isn't teaching or translating). I have gotten quite a few leads from my coworkers and people who work for international companies and government agencies."

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