

The Psychology Behind Hiring: Why the Hidden Job Market Thrives

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In career management, one of the most common misconceptions job seekers have is that every open role is always publicly posted. This belief leads many to rely solely on online job applications, only to be frustrated with minimal results. In reality, many jobs, especially at the senior level, are filled without being advertised. This “hidden job market,” explored in the February 2025 Career Connection column (p. 26), often leaves job seekers unsure of how to access these opportunities. Psychological factors, such as trust, risk aversion, and decision fatigue, drive the hidden job market. Understanding these drivers can help you leverage them to your advantage.

What is the hidden job market? The hidden job market refers to unadvertised roles filled primarily through internal promotions, employee referrals, and direct recruiter outreach. This dynamic creates a “Catch-22” for job seekers: You need a network to access these hidden roles, but building a network often requires an initial foothold within an industry or company. Unfortunately, few job seekers receive training in networking and relationship-building as part of their career development.

Hiring in general is a gamble. Beyond salary expenses, a bad hire can disrupt teams, lower productivity, and increase turnover. To minimize risk, companies prefer hiring through referrals and internal promotions because these candidates come with built-in trust. When a current employee vouches for a candidate, that recommendation reduces perceived uncertainty, making it easier for hiring managers to move forward with confidence. Even highly qualified candidates can be overlooked because they lack an internal advocate.

People tend to trust what those around them trust. This psychological bias plays a major role in hiring. When an employee or industry peer recommends a candidate, that person is perceived as more credible, thereby reducing the mental burden of assessing a large applicant pool. In an ideal world, hiring would always be based on having the right skills and experience, but gut feelings and interpersonal chemistry can heavily influence these decisions, especially in terms of company culture. Additionally, hiring decisions are rarely made by just one person, and group dynamics can further complicate the process.

Too many choices create hiring bottlenecks. Recruiters and hiring managers are overwhelmed with applications. A single job posting can receive hundreds or thousands of résumés, leading to information overload. Reviewing applications is time-consuming and exhausting, which is why companies look for ways to simplify the process. Referrals,

internal hires, and pre-identified candidates significantly reduce the cognitive load associated with hiring decisions. By keeping the process within trusted networks, companies can streamline hiring, avoiding the effort required to sift through vast numbers of applicants. This also explains why many roles are filled before they are ever posted publicly.

How can you leverage these psychological factors in your job search? The key is to shift from reactive (waiting for a company to need you) to proactive (building relationships before you need a new job). Start by engaging with companies directly instead of targeting job titles. Companies often identify future hiring needs before they post a job. By building relationships within target companies, you increase your chances of being considered before a role is advertised. Create a list of companies that align with your values, interests, and career goals. Follow those companies on LinkedIn and identify potential connections who work in your target department or role.

Since hiring managers rely on insider recommendations, establishing credibility within your industry is key. Strengthen your LinkedIn presence by securing recommendations from colleagues, managers, and clients. Engage with industry conversations by commenting on or sharing content with your insights. Informational interviews can also be powerful tools for relationship-building. Speaking with professionals at target companies increases your visibility and positions you as a known entity when hiring needs arise.

Always be networking. Job searching shouldn’t be a reactive process that begins only when you need a new role. Maintaining an active professional network ensures that you remain top-of-mind when opportunities emerge. Connect with former colleagues, attend industry events, and participate in professional associations to keep relationships strong.

The hidden job market is a reflection of human psychology. Hiring decisions are driven by trust, risk aversion, and cognitive shortcuts designed to make the process easier for employers. Understanding these psychological factors can help you shift how you approach the job search — moving away from passive applications and toward proactive relationship-building. By targeting companies directly, building insider trust, and maintaining a strong professional network, you can navigate the hidden job market more effectively — positioning yourself for opportunities before they go public.

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