

TITLE: How Useful are Posted Job Openings?

AUTHORS: Niels-Jakob Harbo Hansen and Hans Henrik Sievertsen

ABSTRACT: Policy makers and researchers often evaluate labor market efficiency using announced job openings and unemployment. It is well-known that announced job-openings only constitute a fraction of all job openings in the economy, but less is known about how this fraction varies across time and firms. To inform this discussion we construct a new database with actual hires and announced job openings using data from the Danish tax authorities and Public Employment Service during 2004-2012. Using this we document the share of hires made through announced job openings, and use a simple search matching model to derive the share of job openings being announced. We also find that the share of hires via announced openings being increasing in firm size, decreasing in employment growth, less used in start-ups than in existing firms and share exhibits an inverse u-shape in the firm' average wage level. Second, we set up and calibrate a simple search-and-matching model with two recruitment channels: announced and unannounced job openings. Using this model we show how the observed swings in the fraction of posted job openings significantly influences the perceived matching efficiency and Beveridge curve movements.