



## **Recruitment & Retention**

Published February 2011

### **Hiring and Managing the Overqualified**

**Ladan Nikravan**

The abundance of overqualified talent applying for jobs below their education and skill levels is yet another lingering effect of the lackluster job market. But this pool of job seekers should not perceive their overqualification as a burden, and talent managers should realize that, if properly managed, these workers can offer more than managers expect.

Traditionally, companies avoid hiring overqualified workers because they tend to be unhappy with the limitations of their position or are unmotivated to excel in assigned tasks and thus commonly quit. Although many are simply grateful to be working right now, overqualified employees still need to be strategically placed and supervised by talent managers to ensure they're adequately challenged.

"Smart companies want the best athletes," said Janice Ellig, co-CEO of executive search firm Chadick Ellig. "In a market with an oversupply of great talent, companies should always be on the lookout for people who will not just help them today but will fit their strategy going forward."

In a labor market where job seekers sometimes outnumber openings 5 to 1, the rise of overqualified talent in companies is not surprising. These mature and skilled individuals are just as productive as their less skilled counterparts when placed and led properly.

"The cultural fit within an organization has to be there for an employee," Ellig said. "The values have to be in sync. The communications have to be a two-way street. If those are all in play and in place, great people will surely stay."

#### **Managers: Challenge Them and Let Them Grow**

Employers are seizing the opportunity to stock up on discounted talent, but without the foresight to develop their roles, many of these employees will not stay. Employees need challenges and room to stretch to maintain motivation. Organizations that hire overqualified employees need to find more meaningful work for these employees, challenge them and accommodate the types of skills and qualifications they have.

"If a position is not quite at the level of a candidate, a company can look at doing several things to fully utilize that talent and keep the person engaged," Ellig said. "They can combine two positions into one to broaden the scope. If that's not possible to do, they can look, and promise, to do that down the road. If they can't do that now or later, the individual should be given a stretch project assignment, even if it's outside of his or her particular department or sphere of expertise, to add fresh perspective, view and

value to the organization and their own work.”

Overqualified employees could conduct on-the-job training and mentor newly hired employees, for example.

“Since companies aren’t spending the same amount of dollars in training and development [as] they have in the past, when you have very experienced people you can use them as advisers to people less experienced,” said Kathryn Kehoe, managing director at CMF Associates. “When you have people who have a lot of experience, they’ve worked through several economic cycles and have come through the eye of the needle, and that familiarity with the industry should be used to train the less experienced.”

According to David First, vice president of learning and development at Suffolk Construction Co., hiring an overqualified candidate also challenges veteran employees in a positive way.

“You want to have a culture in your company where people aren’t going to be threatened by being challenged, think being challenged is a good thing and believe having very talented people below them is a positive,” he said. “You want to take the best people you possibly can and challenge yourself as an organization to keep them engaged and happy in their positions.”

Changing the work environment to allow more autonomy and embrace stimulating work will compel overqualified candidates to grow within their positions and expand their job duties in multiple directions.

“A lot of times you can grow and it doesn’t have to be vertical,” First said. “It can be horizontal, it can be side to side into different positions, it can be learning about different roles, it can actually be about becoming T-shaped so that you’re learning across the organization. It’s all about challenging folks and watching them move.”

Managers of overqualified employees must use empowerment and development to overcome the negative impact of perceived overqualification.

“You might find that they find creative ways to improve the product or service, improve the job, make it more challenging for them and at the same time produce levels of product or service that you haven’t seen before,” said Edward Lawler, author of *Talent: Making People Your Competitive Advantage* and professor of business at the University of Southern California Marshall School of Business. “It’s not automatic that just because someone is overqualified they will necessarily leave. It’s a risk, but it’s far from a guarantee.”

### **Organizations: Reap the Benefits**

There are several benefits that come from hiring an overqualified candidate. When an employee with a lot of work experience joins an organization, he or she brings a lot of experience. Prior experience is a valuable quality in a prospective employee, and the more experienced he or she is, the more able the individual is to deal with difficult situations. Additionally, he or she can become a source of inspiration for other employees, who may want to learn from that employee’s experience.

“Companies need to be open to other ways of doing things,” said Audrey Tillman, executive vice president of corporate services at Aflac Inc. “Overqualified employees bring new and valuable ideas to organizations, and managers should want to hear from them. Someone who has proven talented,

experienced, hardworking, energetic, and has aspirations is very beneficial to a company. Even though we're tightening our belts, we still want to give employees opportunities to stretch and grow outside day-to-day work."

A healthy and productive work environment is essential not only to improve employee efficiency but also for the overall growth of the company.

"You need to hire for today but keep in mind the business unit of tomorrow," Ellig said. "Hiring an overqualified individual gives a company tremendous bench strength and vast potential. You'll always have an abundance of talent and a succession plan."

As we progress into economic recovery, that bench strength will become increasingly important. Today's overqualified hire will be the perfect person for a higher-level position in 12 to 18 months, Kehoe said. The potential to retain an overqualified employee depends on prospective opportunities for the position the employee is in as well as the overall outlook of the company.

"You need to see if your organization is expecting to grow and develop and come up with more complex products or service delivery," Lawler said. "If you are, then it makes sense to hire someone who is maybe a little overqualified, providing you can see a way for them to grow the job or see people moving or retiring fast enough for the individual to move up."

If a company is focused on the future and has inventoried top talent and projected employment gaps, both the employee and employer stand to benefit.

### **Handling the Truth**

Most overqualified employees do not have to be reminded of the opportunities they are currently being given. Many unemployed professionals are willing to take pay cuts and drop a few steps down the corporate ladder for the promise of a paycheck. In fact, in some cases candidates are hiding lofty degrees, titles and experience to get a foot in the door. Withholding that information is the only option some overqualified candidates see in order to get an interview.

"All of the attention that comes from the press on the dangers of hiring someone who is overqualified for a job and the potential of negative consequences that can come from that hire have caused things like this to happen," Lawler said.

First agrees and said society has deterred talent managers from seeing the benefits of hiring an overqualified individual.

"I can't blame these candidates for wanting to put food on the table or pay their mortgage," First said. "In a closer-to-perfect world, we would have organizations understanding that these people can contribute more than anyone else and that they're lucky to have them."

In order to form an agreeable, lasting relationship, both the overqualified employee and the employer must be honest and forthcoming with information. Prospective employees need to know the scenario they're coming into from the start and what the expectations of that role are.

"Companies need to communicate their needs very thoroughly so there are no unmet expectations," Tillman said. "What's available is what the employee is applying for. That's all there is, and if they take

that position, they're accepting the roles that the company should have made very clear."

Experienced, highly qualified workers have a lot to offer, so rather than looking at the worries in hiring someone who's overqualified, hiring managers should focus on what they're getting, which, if properly managed, can be a better asset than imagined.

### **What Do Employees Think? Just Ask**

New employees join an organization with a high level of commitment, but the honeymoon stage doesn't have to dissipate.

Problems arise in the employer-employee relationship when expectations do not become realities. In order to ensure ongoing commitment well after the employee gets situated, companies are using new-hire surveys to assess new employees' level of satisfaction.

Turnover costs are one of the largest controllable expenses incurred by organizations, and communication in early employment is crucial to develop a healthy relationship and maintain commitment from newly acquired talent. Establishing a strong bond between an employee and employer boosts engagement and can drive results faster.

"There's so much going on with the new hires that you just don't know if you don't ask," said Beth N. Carvin, CEO of Nobscot Corp. "It's all about retention and helping employees get off to a good start with an increased speed to productivity. New-hire surveys help organizations audit their processes; it's a wonderful way to really improve procedures and reduce early turnover."

Carvin said employee turnover is a bigger problem now than ever before. In the past, employees were willing to work through obstacles and often opted to stay to avoid being perceived as job hoppers. Although the recession has put a tighter leash on those wishing to jump, employees are still more likely than before to leave.

"Today, people are less likely than ever to stay if there's an issue, if it doesn't feel right or if the expectations are different from what they thought," Carvin said.

To effectively use new-hire surveys as an engagement tool, companies need to have a scheduler who plans the distribution of surveys to new hires on a staggered basis and a determined process on how to conduct surveys. The compiling process and questions asked depend on company preference; what's more important is what is done with the numbers obtained.

"Collecting data is as good as what you do with it," Carvin said. "You can collect all the data in the world, but if you don't use it, there's no point in even having it. It's really important that as you're collecting this data, you begin to create action plans and create a bit of a road map of things that you can work on or solve that can improve the process."

Survey results need to be aggregated in a way that highlights trends rather than individual or anecdotal performances. The purpose of these surveys is to improve the process and organization — not to provide performance data on the individual employee. According to Carvin, a company can best guarantee honest feedback if employees understand the purpose of the survey and receive clear communication on when it is coming. Tangible proof of improvements from previous survey results help, too.

“New-hire surveys can create a company standard that acts upon the criticism of new employees and the inclusive opinions of everyone in the organization,” Carvin said.

Through the use of new-hire surveys, organizations can identify critical job features that ensure the success and satisfaction of newly hired employees and forge a strong employer-employee partnership that minimizes turnover.

“Taking action is really important for improving your organization and improving the corporate culture around employee feedback,” Carvin said.<

Ladan Nikravan is an associate editor for Talent Management magazine.