QUALIFIED SUCCESS

The negatives attached to hiring 'overqualified' staff can easily be turned into positives, Amy Gallo writes. The first step is not to make assumptions about anyone.

As economists puzzle over the US recovery, managers that have started to hire again face another problem: how to handle the new influx of overqualified candidates applying for positions at their companies. The prevailing wisdom is to avoid such applicants. But now the unprecedented availability of top talent created by the US recession, and new research, may be changing that.

Recruiters have hesitated to place overqualified candidates because of several presumed risks, says Berrin Erdogan, a professor of management at Portland State University and the lead author of a recent study on the subject. "The assumption is that the person will be bored and not motivated, so they will underperform or leave." However, Erdogan's research shows that these risks may be more perceived than real. In fact, sales associates in her study who were considered overqualified actually performed better than their peers. And rarely do people move on simply because they feel they're too talented for the job.

"People don't stay or leave a company because of their skills. They stay or leave because of working conditions," she says.

Claudio Fernandez-Araoz, a senior adviser at Egon Zehnder International and the author of Great People Decisions and The Definitive Guide to Recruiting in Good Times and Bad, agrees that when it comes to hiring an overqualified employee, there are more benefits than risks. "When making hiring decisions, visionary leaders don't just focus on the current needs, but on the future," he says.

Here are several things to consider next time you are looking at a stack of overly impressive resumes.

"Don't assume that candidates are overqualified based on a quick screen of their credentials. "There's a lot of misunderstanding over what overqualified is," says Erdogan. "We define it as meeting and exceeding the skill requirements of the job. So having a lot of education doesn't overqualify you."

Neither does experience, if the person's prior positions are not directly related to the job in question. Get to know
When a quest for 'hunger and potential' pays off

In 2009, Lara Galinsky, senior vice-president at Echoing Green, a young and growing non-profit organisation, needed to hire a finance director. She thought the ideal applicant would be someone relatively young but with a few years of non-profit finance experience. She was not expecting a candidate like John Walker.

John had most recently worked for a venture capital fund that was forced to lay people off because of the economy. Prior to that, he had spent more than 10 years in the defence industry in a variety of senior design and management roles.

"I didn't have a background in social enterprise or non-profit," he says. But he did, however, have deep experience in running, buying and selling companies.

This was not an unusual situation for Echoing Green.

"We get a lot of resumes from people who want to do a sector switch," Lara explains.

"They have a lot of work experience but not necessarily a lot of experience in the sector," She had previously ruled out candidates who were overqualified or who didn't bring enough relevant experience.

But John had been referred by a friend of the organisation, and since Echoing Green straddles the world of for-profit business and non-profit organisations, she thought his experience might be applicable.

Lara and her team talked about the