

# Research Watch



**RESEARCH** Follow HBR's coverage of the latest academic research. <http://blogs.hbr.org/research/>

## What Does Your Logo Really Tell Consumers?

Gap, Inc. learned recently just how powerful logos are when the public panned the redesign of its iconic symbol. Small design elements make a difference.

**Niels van Quaquebeke** and **Steffen Giessner** of the Rotterdam School of Management showed logos of 100 Global 500 companies to two groups of participants. One group rated them on attractiveness and symmetry; the other judged whether the logo suggested that the company behaved ethically. The finding: Rationally or not, people associate symmetrical logos with more ethical, socially responsible behavior.



**SYMMETRICAL = PERCEIVED AS ETHICAL**



**ASYMMETRICAL = PERCEIVED AS UNETHICAL**

**HIRING** by Andrew O'Connell

# The Myth of the Overqualified Worker

If your recruiting efforts attract job applicants with too much experience—a near certainty in this weak labor market—you should consider a response that runs counter to most hiring managers' MO: Don't reject those applicants out of hand. Instead, take a closer look.

New research shows that overqualified workers tend to perform better than other employees, and they don't quit any sooner. Furthermore, a simple managerial tactic—empowerment—can mitigate any dissatisfaction they may feel.

The prejudice against too-good employees is pervasive. Companies tend to prefer an applicant who is a "perfect fit" over someone who brings more intelligence, education, or experience than needed. On the surface, this bias makes sense: Studies have consistently shown that employees who consider themselves overqualified exhibit higher levels of discontent. For example, overqualification correlated well with job dissatisfaction in a 2008 study of 156 call-center reps by Israeli researchers Saul Fine and Baruch Nevo. And unlike discrimination based

on age or gender, declining to hire overqualified workers is perfectly legal, as shown by U.S. federal court rulings upholding the New London, Connecticut, police department's rejection of a high-IQ candidate on the grounds that he'd probably become dissatisfied and quit.

This kind of thinking has tossed untold numbers of experienced, highly skilled people into the ranks of the long-term unemployed, a group that now constitutes nearly half of all U.S. jobless.

But even before the economic downturn, a surplus of overqualified candidates was a global problem, particularly in developing economies, where rising education levels are giving workers more skills than are needed to supply the growing service sectors. In China, where the number of college graduates has tripled since 1998, more than one-fourth of this year's 6.3 million college grads are out of work, according to *Bloomberg Businessweek*.

If managers can get beyond the conventional wisdom, the growing pool of too-good applicants is a great opportunity.

Two recent studies—one analyzing data on more than 5,000 Americans, the other examining 244 employees of a Turkish apparel chain—show that overqualified employees outperform their colleagues. In the former study, Greg Reilly of the University of Connecticut, Anthony Nyberg of the University of South Carolina, and Mark Maltarich of St. Ambrose University looked at employees with above-average intelligence working in jobs such as car washing and garbage collecting. In addition to achieving higher performance, these cognitively overqualified employees were less likely than others to quit. The researchers point out that many overqualified workers stay put for lifestyle reasons, such as the hours or the company's values.

The Turkish study provides an additional insight: It shows how companies can manage around the "I'm too good for this job" problem. Berrin Erdogan and Talya N. Bauer of Portland State University in Oregon found that overqualified workers' feelings of dissatisfaction can be dissipated by giving them autonomy in decision making. At stores where employees didn't feel empowered, "overeducated" workers expressed greater dissatisfaction than their colleagues did and were more likely to state an intention to quit. But that difference vanished where self-reported autonomy was high.

"There are distinct advantages to hiring employees who perceive that they are overqualified," Erdogan and Bauer write. As hiring managers scan résumés, it's an insight worth considering. **HBR Reprint F1012C**

### A SURPLUS OF TALENT

In 2006 the International Trade Union Confederation conducted a global survey to estimate the percentage of workers in various countries who considered themselves overqualified for the job they hold. The results:

FINLAND	31%
SPAIN	31
BELARUS	30
RUSSIA	30
ARGENTINA	29
PARAGUAY	27
HUNGARY	25
MEXICO	25
UK	25
BRAZIL	24
DENMARK	24
SOUTH AFRICA	24
U.S.	23
CHILE	22
CZECH REPUBLIC	22
COLOMBIA	21
NETHERLANDS	21
SWEDEN	21
FRANCE	19
BELGIUM	17
GUATEMALA	16
INDIA	14