

Hiring

Hiring the Already-Employed: Savvy or Sad?

by Rita Gunther McGrath

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A fascinating article in yesterday's Wall Street Journal caught my eye. It suggests that even with so many great people out there looking for work, employers would still rather hire someone who is already working, thank you very much. Apparently, many believe that those that are unemployed were their former employers' lower-priorities, poor performers or otherwise non-superstars. By hiring someone who already has a job, they reason, they are reducing their risk of picking up someone who is a second-class performer. I guess this is the modern-day version of Groucho Marx's old line that he wouldn't want to belong to any club that would accept him as a member. This is the sort of story that to me just screams "watch out for second-order, unintended effects."

Some will be relatively benign. Realizing that a job loss has branded them as damaged goods, those seeking jobs may go back to school or hit up retraining programs before looking for that next post. Certainly, at the Columbia Business School we are seeing an uptick in truly marvelous applicants. In other cases, talented people who are frustrated at being shunted aside in favor of those who still have positions may be open to career choices that would not have held appeal before — working as teachers, in the government, in not-for-

profits or perhaps for smaller firms who are prepared to appreciate their talent and experience. And some people who might never have had the motivation or courage to take the plunge might begin businesses or pursue life-long dreams, which could be a good thing.

Other effects are likely to be less positive. Workers who feel that not having a job adds one more barrier to ever finding one are far more likely to sink into despair or into self-damaging behaviors, risking the outcome that low performance becomes a self-fulfilling prophecy. Using the “are you working?” standard also makes it harder for people who voluntarily stepped away from the workplace — for family or other reasons — to get back in.

Even attractive employees, as the article points out, may cling to jobs they hate for fear of being shut out by potential new employers. And of course, employers still need to consider whether an employed person’s performance is a function of their own skill or of the culture and organization where they work. Consider, for instance, all those ex-senior GE leaders who somehow couldn’t work their magic without the famous management system and supporting environment of their former employer. Culture matters too — take someone from a collaborative, team-oriented culture and plonk them down in an individualistic, let-the-fastest-shark-eat-the-others kind of place and they will go down in flames. And vice versa.

One worry is that if this is indeed a major trend, America’s social contract around work could be at risk. Work hard, many Americans believe, and forward advancement is not only possible, but likely. Tried and failed? No problem, says our culture — pick yourself up and try again. And of course, don’t be afraid to move to where opportunities are — that’s the American way. But we undermine those beliefs when we lock active job-seekers out of opportunities.

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