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# The American Way of Hiring Is Making Long-Term Unemployment Worse

by Gretchen Gavett

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*There are currently more than 4 million Americans who have been unemployed for 27 weeks or more. This figure doesn't include those who work part-time or on contracts — or those who, discouraged, have simply stopped trying. Many of them are older and well educated, and their situation doesn't seem to be improving despite America's slow crawl out of the recession. While last week's jobs numbers extolled a decline in the national unemployment rate, the numbers for the long-term unemployed didn't even budge.*

*MIT professor Ofer Sharone is tackling this issue head on, piloting a new initiative to help the long-term unemployed (LTU) and gather valuable research on both job-seeking and hiring practices. He is also the author of the recent book Flawed System/Flawed Self: Job Searching and Unemployment Experiences. My edited discussion with Sharone is below.*

**Why is it so hard for older, educated Americans to find jobs after they've been laid off?**

There are multiple explanations for this, but certainly employer stereotypes and beliefs about older workers play an important role.

One set of stereotypes is directly about the purported effects of age. For example, that older workers are less energetic or less able to use new technologies.

Then there's a set of employer beliefs about workers who have significant work experience and who have attained higher levels in their former organizations. Here employers worry that the worker may expect a higher salary than younger workers, or may be unhappy taking a position that pays less or comes with less responsibility than their prior job, and as a result will look to leave at the first opportunity or be otherwise disgruntled.

This set of beliefs is not directly about age. But it is almost always older workers who are trapped by perceived "overqualification."

In my recent book, I describe how, after several months of job searching, unemployed 40+ workers frequently make the difficult decision to adjust their job search to positions that may not use their full range of expertise, and which pay less than their prior jobs, only to be turned down by employers who directly or indirectly convey concerns about overqualification.

One of the cruelest aspects of how our labor market currently works is that one's past hard work and successes can become the very thing that keeps one from finding a new job.

**And what about education specifically?**

It's not necessarily *harder* for older college educated Americans who have been laid off to find jobs than for those with less education. The surprising fact is that it's not *easier* for them. Once laid off, the likelihood of becoming LTU is just as great for those with a college education than for those without.

This fact suggests that, for many job seekers, a lack of education is not the cause of long-term unemployment. From a policy perspective, this means that we need more than mantras about "more education is needed" to solve the ongoing crisis of long-term unemployment.

**You hear a lot about this perceived mismatch of worker education and skills and company needs. But you seem to be saying that's not the problem.**

Most of the college-educated white-collar workers I study do not lack relevant skills, so the mismatch hypothesis does not explain their situation.  We also have some very compelling recent research that casts doubt on the idea that a mismatch between skills and employers' needs explains our current levels of LTU.

For example, a recent study by Rand Ghayad shows that the likelihood of an employer inviting a job seeker for an interview is much *higher* for an applicant with no relevant industry experience than for a job seeker who has relevant experience but is unemployed longer than 6 months. This suggests that the stigma of LTU is much more important than any mismatch.

Wharton's Peter Cappelli has also written a number of compelling articles and books dispelling the myth of the mismatch.

**Aside from the overqualification issue, are there other hidden biases that hiring managers harbor?**

The other key bias is based on the duration of unemployment. The systematic screening out of LTU job seekers suggests a strong presumption on the part of companies that LTU job seekers are in general not good candidates. This presumption is not only devastating for LTU job seekers but it also means that companies systematically overlook extremely talented and highly motivated workers.

**What are the benefits to hiring someone over the age of 40 or 50?**

My research, involving in-depth conversations with hundreds of unemployed job seekers, indicates that no group of workers is more committed to contributing to a company that gives them a chance to

prove their value than older workers who have been long-term unemployed.

Importantly, while some employers fear that older workers will not sticking around, my research suggests the opposite is more likely. It's worth considering whether, in fact, it is younger workers in their 20s and 30s who are more likely to be actively searching for opportunities to move across jobs in an effort to develop a portfolio of marketable skills and experiences. Older workers are really looking for a company where their considerable skills and experiences are valued and can make a difference.

**And what happens when they can't find such a company?**

The often-overlooked toll of LTU is that after enduring months of rejections in the labor market, most American white-collar job seekers begin fearing that there may be something wrong with them. In my research, this is what many job seekers described as the "hardest" thing about being unemployed.

It is striking that, while unemployed white-collar workers in Israel (as well as unemployed blue-collar American workers) perceive a flawed system, white-collar American job seekers perceive a flawed self. What is it that leads white-collar American workers to blame themselves for their unemployment and to feel like they may be "flawed"?

It comes down to the way hiring works for white-collar Americans. To effectively look for work, white-collar American job seekers must play what I call the "chemistry game." They understand that to get hired, it is not enough that they convey their skills. They need to convey who they are: the person behind the skills.

At its core, white-collar job searching is about networking with others, which is primarily a matter of building rapport and relationships so that one is referred to hiring managers. Likewise, at interviews with hiring managers, the focus is on conveying the

intangibles and creating interpersonal chemistry that will lead the manager to conclude that you are a good fit — someone that the manager and other colleagues would like to have around.

This personalized job search "chemistry game" means that when job seekers are not hired, the rejection feels very personal and often leads to that terrible question: What's wrong with me?

**Given all of this, is there anything people can do to better position themselves to get hired?**

There are a lot of advice books out there offering strategies for older workers, but none that I know of that are written specifically for those who are long-term unemployed and that are based on research data. We simply do not have much data on what LTU job seekers can do to increase their chances of getting hired beside continuing to network and continuing to apply. This is one of the key questions that we will explore in our new research project through the Institute for Career Transitions (ICT).

The central aims of the ICT are to provide direct support to older white-collar LTU job seekers by collaborating with dedicated and experienced career professionals who are volunteering their time for this project, and at the same time, research the *best* ways to support this group of job seekers, both in terms of optimal job search strategies (given substantial barriers such as discrimination on the basis of unemployment duration) and optimal ways of maintaining well-being (given how the job search "chemistry game" I previously discussed that leaves LTU job seekers vulnerable to internalizing labor market difficulties). The program is based in Boston now, but we're in the process of seeking funding to expand it nationally.

**On the flip side, do employers need to radically change how they think about hiring? How?**

Absolutely. We need to look more closely at applicants who are older and LTU. And we need to especially understand that the formal or informal filtering out of applicants based on the durations of

unemployment is in many ways comparable to filtering out applicants based on their race or gender. As a society, we have come to recognize the damage of institutionalized forms of discrimination against entire categories of job seekers. The same should be recognized as true for discrimination against the long-term unemployed.

We're currently experiencing an immense but silent crisis. The silence only reflects the fact that millions of Americans are internalizing this pain, and feeling that their exclusion from employment is their own fault. This is both untrue and unacceptable. There's much more we need to do to help our country tackle the central social-economic crisis of our time.

*Click here to anonymously share your experience with the MIT research team, whether as a current or past job seeker, or as someone on the hiring end.*

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**Gretchen Gavett** is a senior editor at Harvard Business Review.