

MATCHING APPLICANTS & ROLES

Finding the
Right Fit

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INTRODUCTION

The way in which recruiters evaluate applicants for open roles is an important consideration for both job seekers and organizations.

In the *2022-2023 SHRM State of the Workplace Report*, HR professionals rated “finding and recruiting talent with the necessary skills” among their top priorities. Yet, only 30% of HR professionals rated their organizations as “effective” in doing so. Therefore, it is not surprising that talent acquisition was the top area targeted for increased spending in 2023.

The present study on the talent acquisition function is a response to this key priority. Rather than focusing on the issue broadly, SHRM decided to do a deep dive into one critical aspect of talent acquisition: the practices of recruiters.



While employer branding, talent-acquisition technology and prehire assessments are all important, the decisions your recruiters are making on a day-to-day-basis probably have the biggest impact on your company's quality of talent.

—Jose R., AVP of Global Talent Acquisition for a hospitality company

Why are recruiters so important? In a persistently tight labor market, the current talent pool is shallow. Most recruiters are not deciding which of a large number of fully qualified applicants they should move forward. Instead, they are asking which partially qualified individual might be the best choice. For example, “This applicant doesn’t have the required years of experience but is well educated and is asking for a reasonable salary. Should I pass her resume on to the hiring manager?”

The logic recruiters use to make these decisions, especially when choosing among underqualified (or overqualified) candidates in these talent-constrained times, is the focus of this report. The study used two approaches. First, recruiters answered questions about how they weigh various minimum qualifications: education, years of relevant experience, unrelated experience, credentials and salary expectations. Then, they were presented with a job description and pairs of fictitious applicants to see how they applied these factors in practice.

When reading this report, it is important to note that these findings apply to the initial application stage, not to the final candidate evaluation process when hiring decisions are made.



SUMMARY OF FINDINGS

The “Sweet Spot” of Fit

- Relevant experience is the factor recruiters weigh most heavily when initially evaluating applicants.
- More important than the highest overall qualifications is a balance in experience: having enough to succeed in the job, but not so much that a more senior role would be a better fit.
- Both overqualified and underqualified candidates can turn out to be bad hires, but for different reasons.

The Underqualified Applicant

- **45%** of recruiters report that hiring underqualified candidates is fairly common.
- Below-minimum length of experience and education level are the factors recruiters use to identify underqualified candidates.
- The biggest risks in hiring underqualified candidates are 1) need for extensive training and orientation, and 2) poor job performance.

The Overqualified Applicant

- **54%** of recruiters report that hiring overqualified candidates is fairly common.
- High salary expectations and currently having a higher-level job title than the open position are the main factors

that recruiters use to determine which applicants are overqualified.

- The two biggest risks recruiters saw in hiring overqualified candidates were 1) short tenure with the organization, and 2) challenges caused by the person not fitting in with the organization.

Experimental Results

- Recruiters evaluated hypothetical applicants for realistic job postings. The recruiters’ behaviors were analyzed to determine their evaluation process.
- Relevant experience remained the most important evaluation consideration, followed by expected salary. However, other factors were not completely discounted.
- Skilled credentials (job-relevant certifications) can compensate for below-minimum **education** level in some roles, particularly in combination with a low salary expectation. This effect was strongest for the role of HR business partner with a SHRM-CP.
- However, having a relevant credential was not a substitute for insufficient **experience**.
- Having previous military service made a small positive difference in evaluations of applicants for most jobs. Military experience was most beneficial for HR applicants.

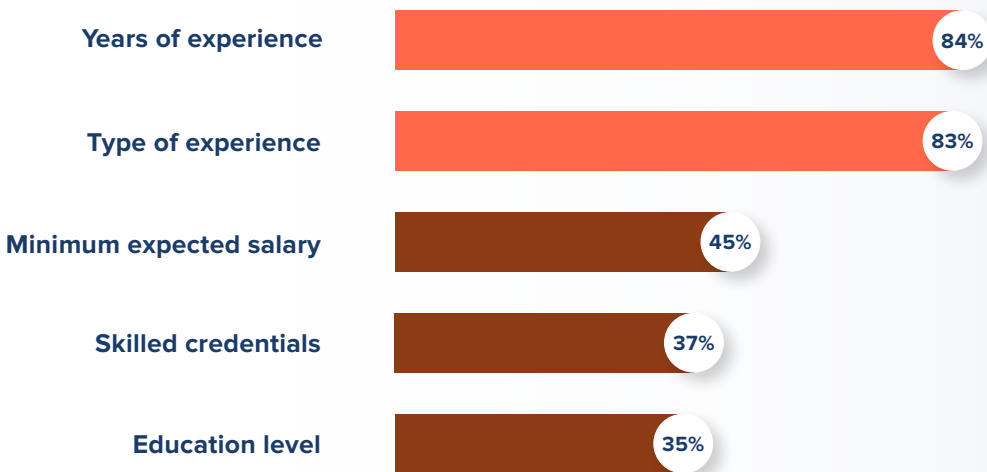
INITIAL APPLICANT EVALUATIONS: EXPERIENCE COUNTS

We asked recruiters what factors were important in their initial review of candidates. The answer? **Recruiters are looking for the type of experience that demonstrates the applicant has the ability to do the job.**

- 84% cited **years** of experience.
- 83% cited **relevance** of experience.

RECRUITERS FOCUS ON YEARS AND TYPE OF EXPERIENCE IN EVALUATING APPLICANTS

(% of recruiters rating each factor as “very important” or “extremely important”)



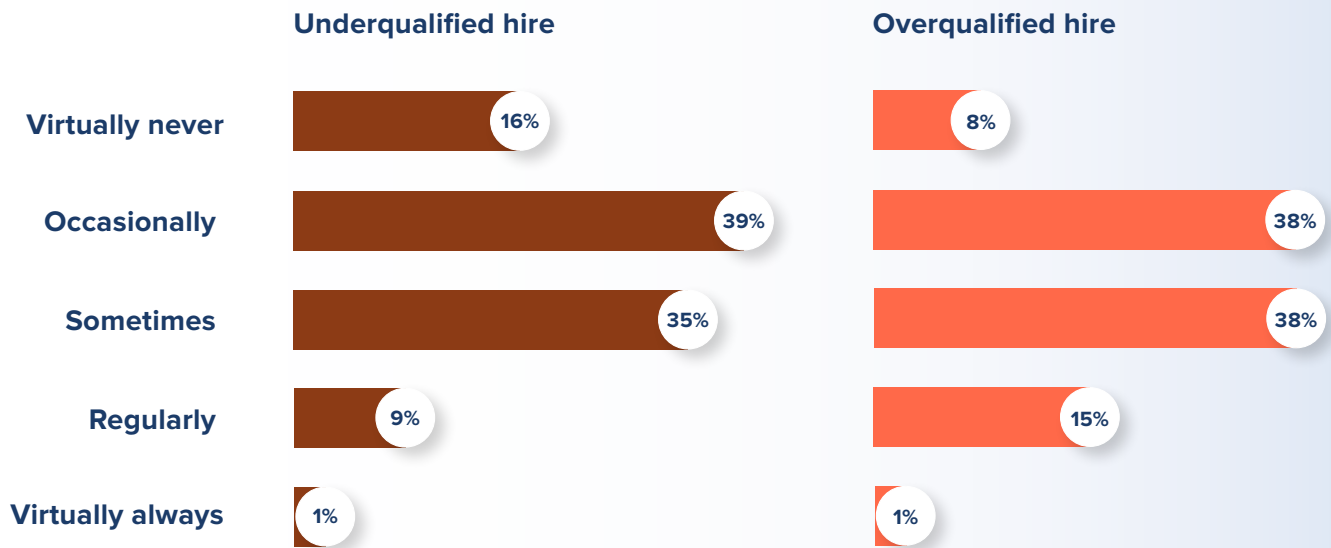
SHRM Research sample of 1,037 recruiters from the SHRM Voice of Work Research Panel.

If no applicants have the right fit, organizations are more willing to hire overqualified individuals

Sometimes, no viable individual has the right profile of qualifications. In this case, the overqualified applicant has a slight edge:

- 54% of organizations at least sometimes hire an overqualified candidate.
- Only 45% of organizations at least sometimes hire an underqualified candidate.
- Recruiters are twice as likely to say they “virtually never” hire an underqualified candidate compared to an overqualified one.

FREQUENCY OF EXTENDING JOB OFFERS TO UNDERQUALIFIED OR OVERQUALIFIED CANDIDATES



SHRM Research sample of 1,037 recruiters from the SHRM Voice of Work Research Panel.

UNDERQUALIFIED APPLICANTS

We also asked how recruiters decide whether an applicant is underqualified or overqualified for a position and the risks of hiring such individuals. Experience and education are the main factors recruiters weigh to determine that someone is underqualified.

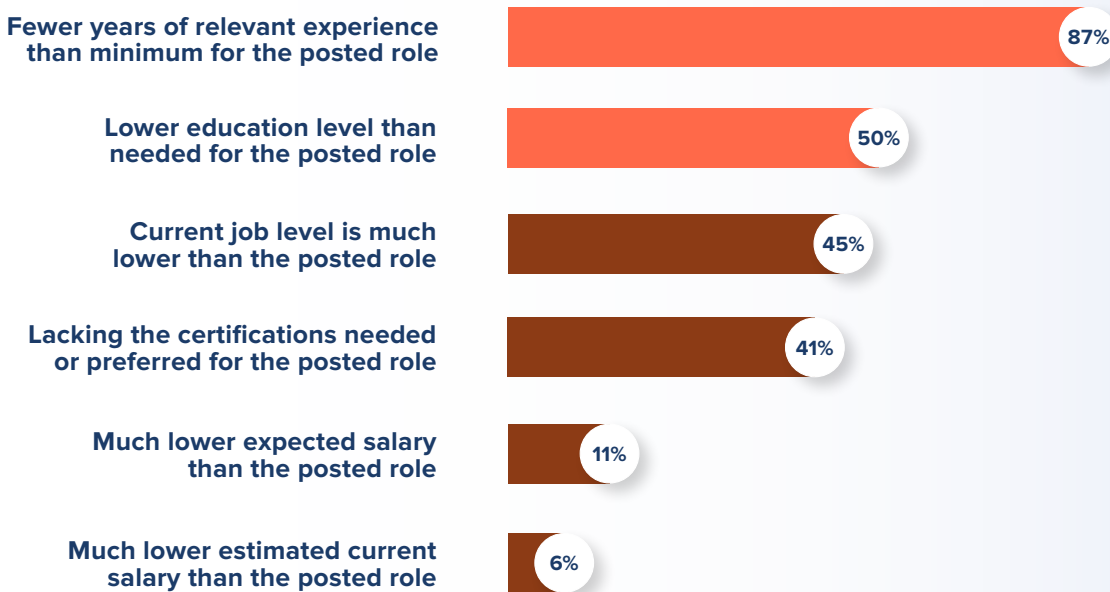


Just as the length and relevance of previous job experience can get an applicant's foot in the door, shortcomings in those areas can close that door.

Curiously, although recruiters report that education is not very important in the initial application review, it is more relevant in determining that an individual is underqualified.

Also of note is that low salary expectations are **not** a significant factor in a job seeker being viewed as underqualified. In other words, low salary expectations are not a red flag.

FACTORS LEADING TO A DETERMINATION THAT AN APPLICANT IS UNDERQUALIFIED



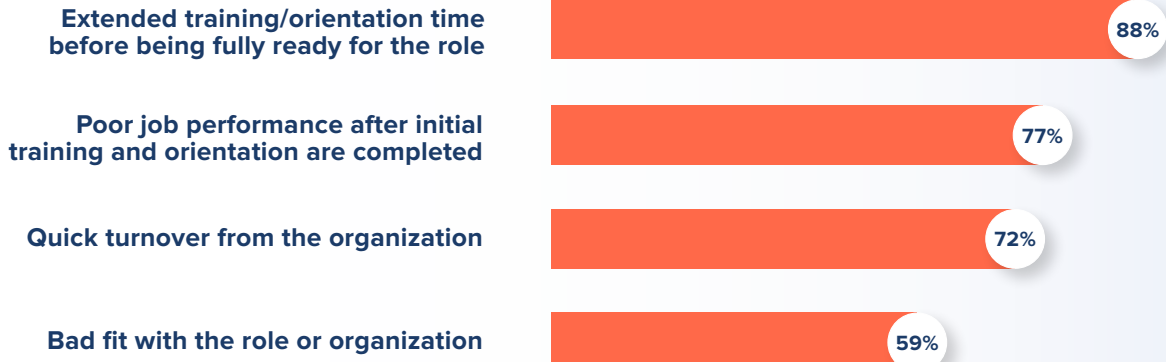
Responses from 873 recruiters who reported at least sometimes hiring underqualified candidates.

An underqualified person may not be ready to perform the job

We asked recruiters how likely four negative job outcomes were when hiring an underqualified candidate. A majority responded that all four outcomes occurred sometimes or regularly. The biggest concern was the likelihood of extended on-the-job training.

OUTCOMES OF UNDERQUALIFIED HIRES

(sometimes or regularly)



Responses from 873 recruiters who reported at least sometimes hiring underqualified candidates.

OVERQUALIFIED APPLICANTS

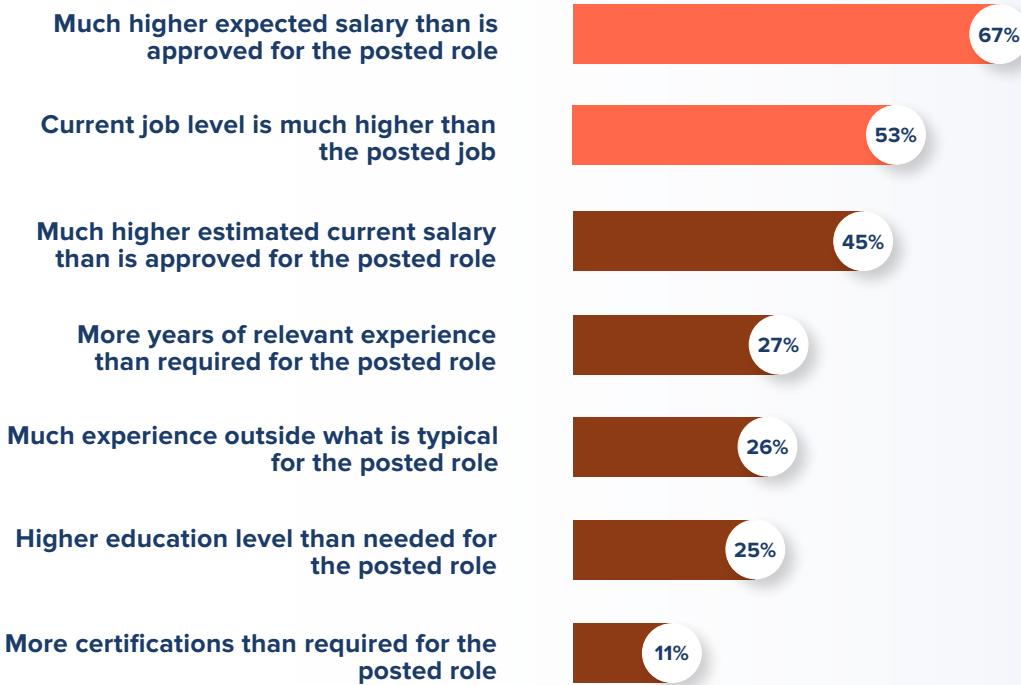
There is less consensus among recruiters about identifying overqualified applicants.

High expected salary is a marker of overqualified applicants

- Generally, requesting a high salary and having work experience at higher levels of responsibility are signs of overqualified applicants.



FACTORS LEADING TO A DETERMINATION THAT AN APPLICANT IS OVERQUALIFIED



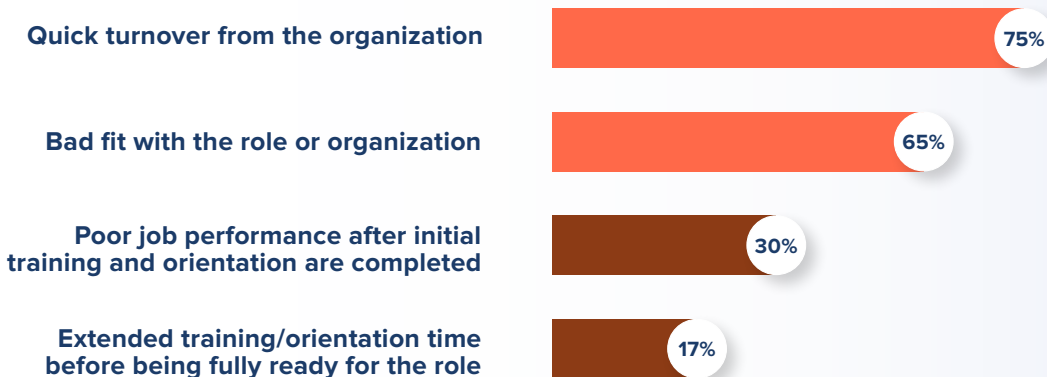
Responses from 951 recruiters who reported at least sometimes hiring overqualified candidates.

The role may not measure up to the overqualified applicant's expectations

- For **75%** of recruiters, the biggest concern is that an overqualified hire might move on quickly to a more challenging role elsewhere. A majority also cite a risk of bad fit with the organization or role. Not surprisingly, recruiters worry much less about the need for extensive training or poor job performance.

OUTCOMES OF OVERQUALIFIED HIRES

(sometimes or regularly)



THE “SWEET SPOT”

For recruiters, the goal is not to hire the “hottest” candidate but the one who is “just right” for the job. There is a trade-off of sorts between skill level and motivation level. An underqualified hire may be highly motivated but just not able to meet performance expectations. For an overqualified hire, the question is more about how much effort the person is willing to expend on a job that probably lacks challenge.

An underqualified employee risks being discharged for not meeting performance expectations. Meanwhile, an overqualified employee could promptly resign for a better-paying and more-fulfilling position elsewhere. Either way, turnover is an expensive drag on an organization’s productivity. Somewhere in the middle range is the employee with staying power on the job. This person is well skilled but still has room to grow in the position, so they are capable of doing the job and are motivated to do it well.

HOW RECRUITERS EVALUATE APPLICANTS: AN EXPERIMENTAL STUDY

Years of research in psychology have shown that people often do not have much insight into their own decisions. It’s one thing to say how you generally make decisions, but the way you actually make those decisions is a different matter altogether. For this reason, we used an experiment to test the survey results. This experiment presented the same experienced recruiters with pairs of applications for four roles that are both commonly filled and at a relatively early career level:

- 🔗 HR business partner (HRBP)
- 🔗 Marketing manager
- 🔗 Sales manager
- 🔗 Software engineer

The goals were to find out: 1) What factors drive recruiter evaluations of fit for these jobs? and 2) If an applicant lacks any minimum qualifications, could recruiters decide that other factors compensate for this shortfall (e.g., possessing a skilled credential instead of an educational degree)?

The Experiment

To help with understanding the findings, this section outlines the basic experiment. For details, please see the Methodology section.

Information from sample job descriptions on the SHRM website (shrm.org) was used to create realistic job postings. Using existing job descriptions ensured that the required and preferred qualifications were reasonable and appropriate for each job. Salary ranges were also appropriate because they were based on the 50th to 75th percentile range for each job, as listed on Salary.com.

All recruiters started by evaluating the HR business partner role. Recruiters who had experience with recruiting for any of the other positions then evaluated a second position. No one rated more than two positions. Applicant profiles varied randomly on five dimensions:

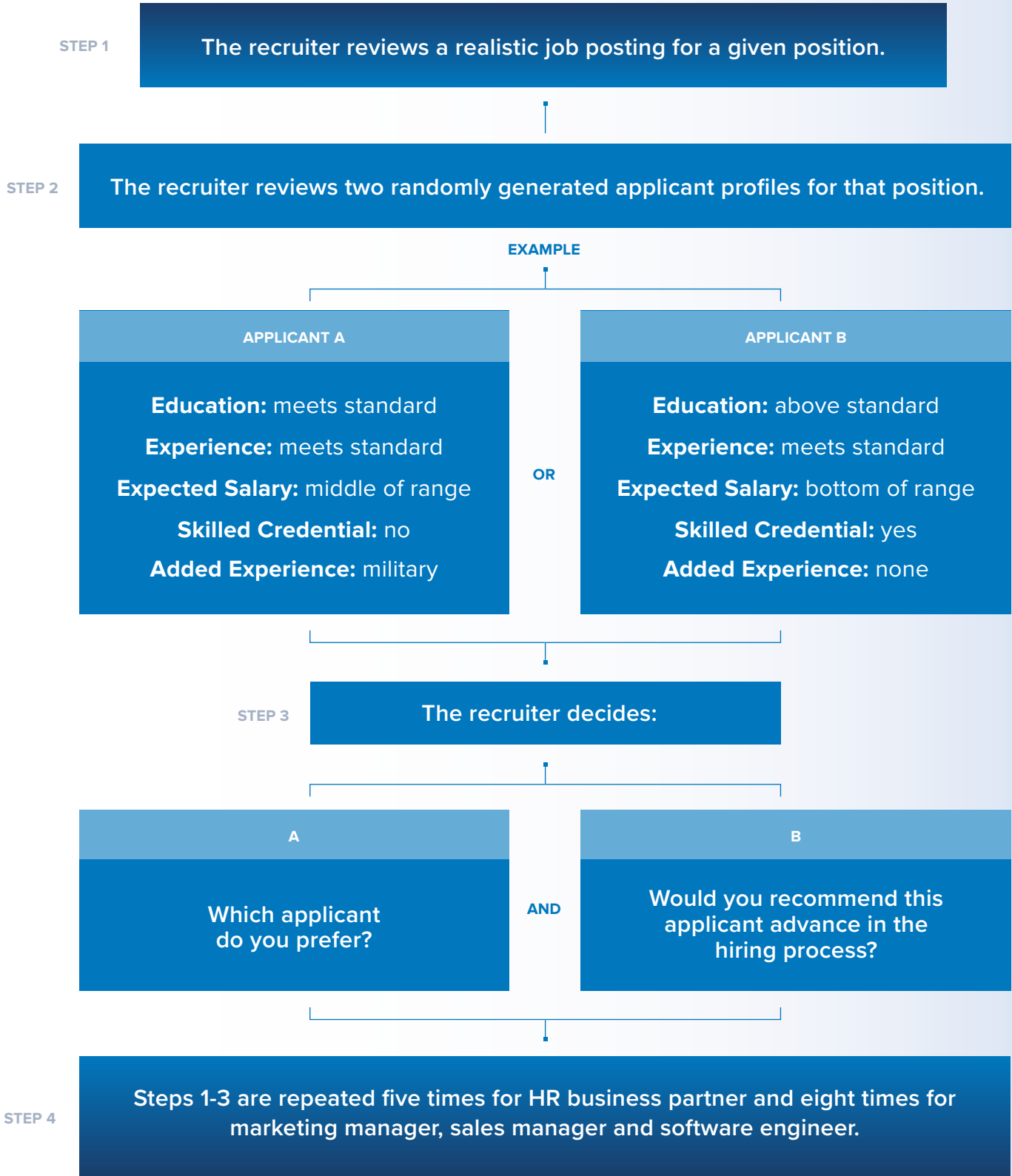
- ⦿ **Education:** The applicant could have less than the minimum standard, exactly the standard or above the standard for education.
- ⦿ **Years of relevant experience:** The applicant could have less than the minimum standard, exactly the standard or more than the standard experience.
- ⦿ **Minimum expected salary:** Expected salary could be at the bottom of the salary range, in the middle of the range or above the top of the range.
- ⦿ **Skilled credential:** Applicants either did or did not have a relevant certification or skilled credential.
- ⦿ **Additional early career experience:** Applicants could have no added experience, military experience, or experience in retail sales or customer service.

Recruiters reviewed a series of two profiles having some combination of these five features. They were asked:

1. Which applicant they preferred, and
2. Whether they would move the preferred applicant forward in the hiring process.

Analyzing the recruiters' decisions in this way revealed their implicit rules for evaluating applicants.

Outline of the Experiment



Across all four positions, the ideal candidate profile was quite consistent:

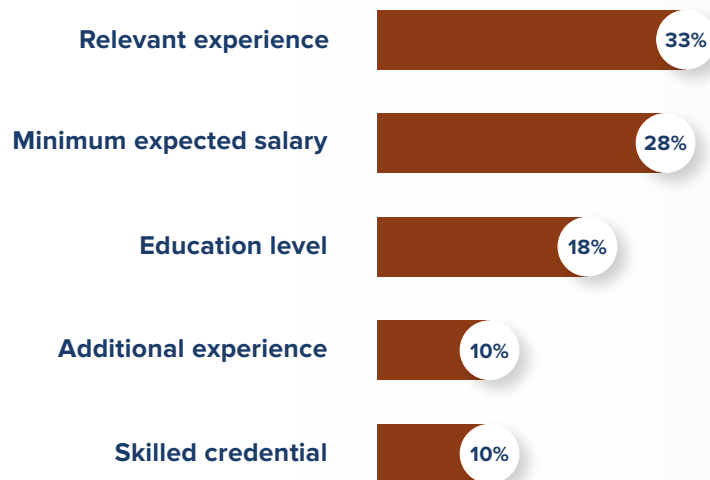


Overall, relevant experience was most important, followed by salary expectation

These results show that recruiters consider all factors, but relevant experience and salary expectation are the most important. Significantly, these findings partially confirm the results from the survey, because recruiters said that they pay most attention to relevant job experience when evaluating applicants. The second most important consideration is whether the applicant's salary expectations are in line with the job posting. In a way, high salary expectations are a stand-in for being overqualified. Having a high level of education or experience did not disqualify applicants, as long as they did not ask for an overly high salary.

IMPORTANCE OF EACH FACTOR FOR CANDIDATE EVALUATION

(averaged across the four jobs)

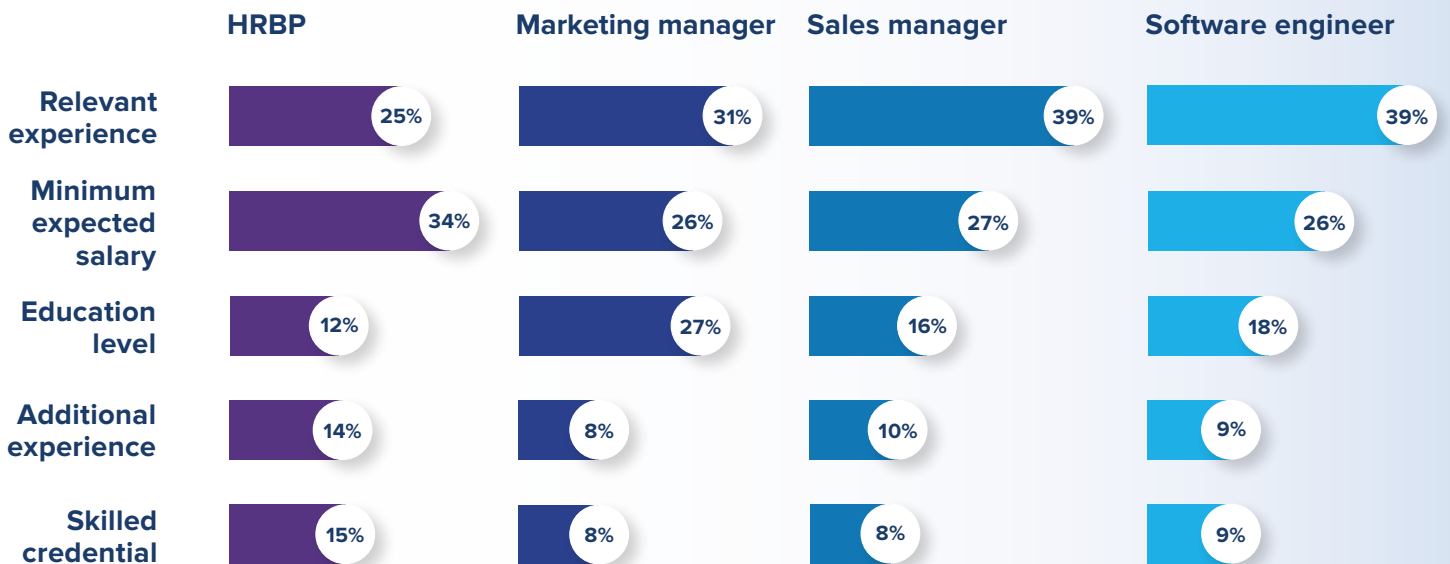


SHRM Research sample of 977 recruiters from the SHRM Voice of Work Research Panel.

The most important features depend on the type of job

- Interestingly, when each role was considered separately, different patterns emerged. For example, the importance of job-relevant experience ranged from 25% to 39% across the four jobs.
- In particular, the profile for HR business partner is very different from the profiles for the other three roles. This is the only role for which a low salary expectation is more important than relevant experience. Recruiters seem to consider previous experience as less important for success in the HR business partner role compared to the other roles. Perhaps they worry that previous experience with a different employer may not translate to a new organizational culture and new processes. However, HR business partner is the one role for which a skilled credential (SHRM-CP) really pays off, because recruiters weigh it as even more important than formal education.

RELEVANT EXPERIENCE IS THE MOST IMPORTANT FACTOR FOR ALL JOBS EXCEPT HR BUSINESS PARTNER



SHRM Research sample of between 146 and 977 recruiters from the SHRM Voice of Work Research Panel.



These are other noteworthy differences:

- ❖ Marketing manager is the only role for which recruiters place more value on education than expected salary. Education is the second-highest consideration, ranking behind only relevant experience for marketing managers. In comparison, education is the least important factor for HR business partner.
- ❖ For all roles except HR business partner, additional experience and skilled credentials carry relatively little weight. This is noteworthy because nearly half of U.S. workers have earned a skilled credential in hopes of becoming more marketable. A credential is much more affordable than a formal educational degree, and HR professionals agree that recognizing credentials can attract a more diverse talent pool. These results show that skilled credentials are viewed somewhat favorably for most jobs but do not carry as much weight as a traditional degree.
- ❖ Sales manager and software engineer are very different types of positions. Yet, the desired applicant profiles are very similar, not only in the order of features but also in the importance attached to those features.

Comparing Applicant Profiles

SHRM also analyzed how different combinations of features influenced recruiters' impressions of an applicant. For these analyses, we used a fictitious profile of a minimally qualified applicant. This applicant:

1. Had exactly the education and experience levels required in the job posting.
2. Asked for a midrange salary.
3. Had no additional previous experience or skilled credential.

In other words, the minimally qualified applicant met all the requirements of the job posting but had nothing extra to offer. We analyzed how recruiters rated this profile compared to an applicant who lacked a particular job requirement. Doing so allowed us to see how different features in an applicant's background caused recruiters to view them more or less favorably compared to the average candidate.

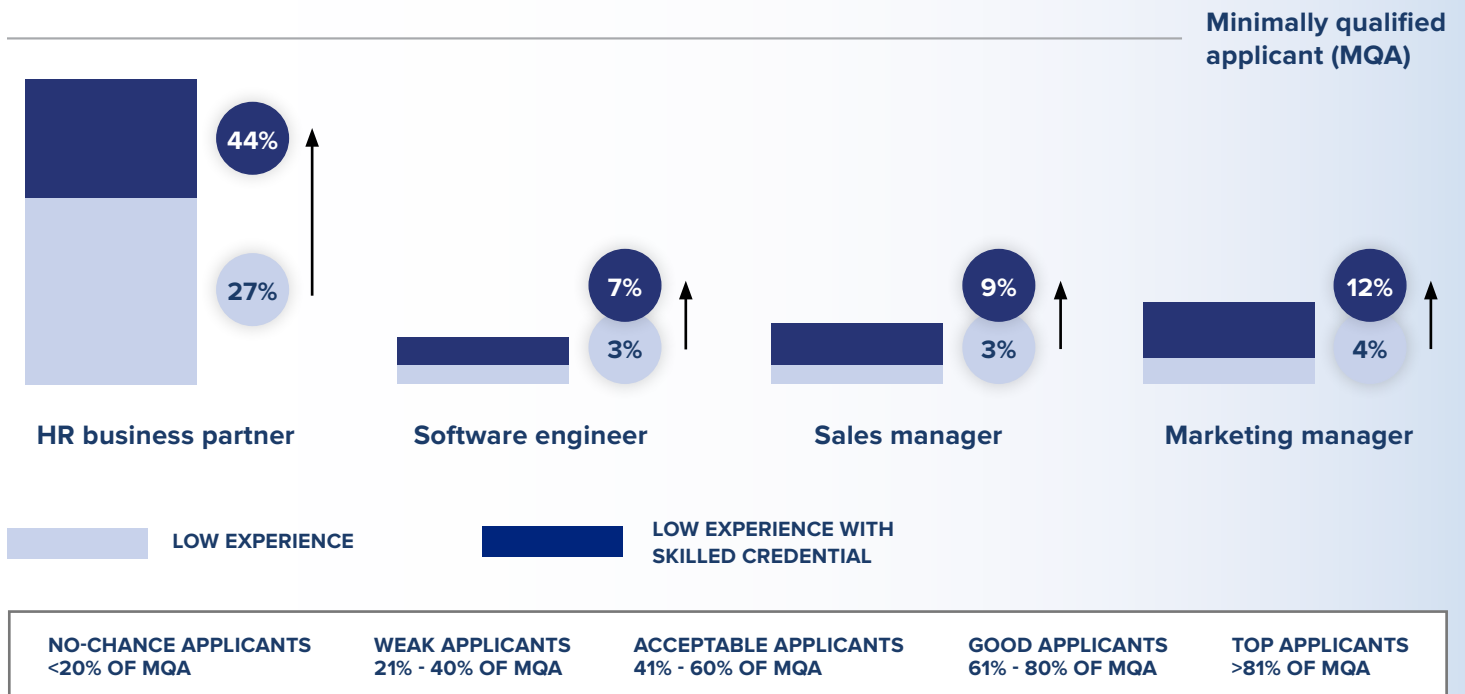
Next, we describe the features that “moved the needle” on recruiters’ evaluations. In these graphs, 50% represents the minimally qualified applicant. The percentages show how less-qualified applicants would fare by comparison. We assume that any applicant receiving a score of less than 40% has very little chance. Those in the 40% to 60% range are similar to the minimally qualified applicant. Applicants between 61% and 80% are preferred over the minimally qualified candidate and would very likely be passed on to the hiring manager for consideration. Anyone receiving 81% or higher would be a top candidate.

Can skilled credentials compensate for less experience?

First, we tested how recruiters valued a skilled credential versus relevant work experience. For this test, neither applicant had the required amount of experience, but one had a skilled credential and the other did not.

Results confirm that recruiters rely on previous experience as evidence that an applicant is able to do the job. A skilled credential is no substitute for experience. The effect of a skilled credential was strongest for the HR business partner role, although it only served to bring the applicant close to the minimally qualified candidate, rather than make the person really competitive.

EFFECT OF SKILLED CREDENTIAL FOR UNDEREXPERIENCED APPLICANTS

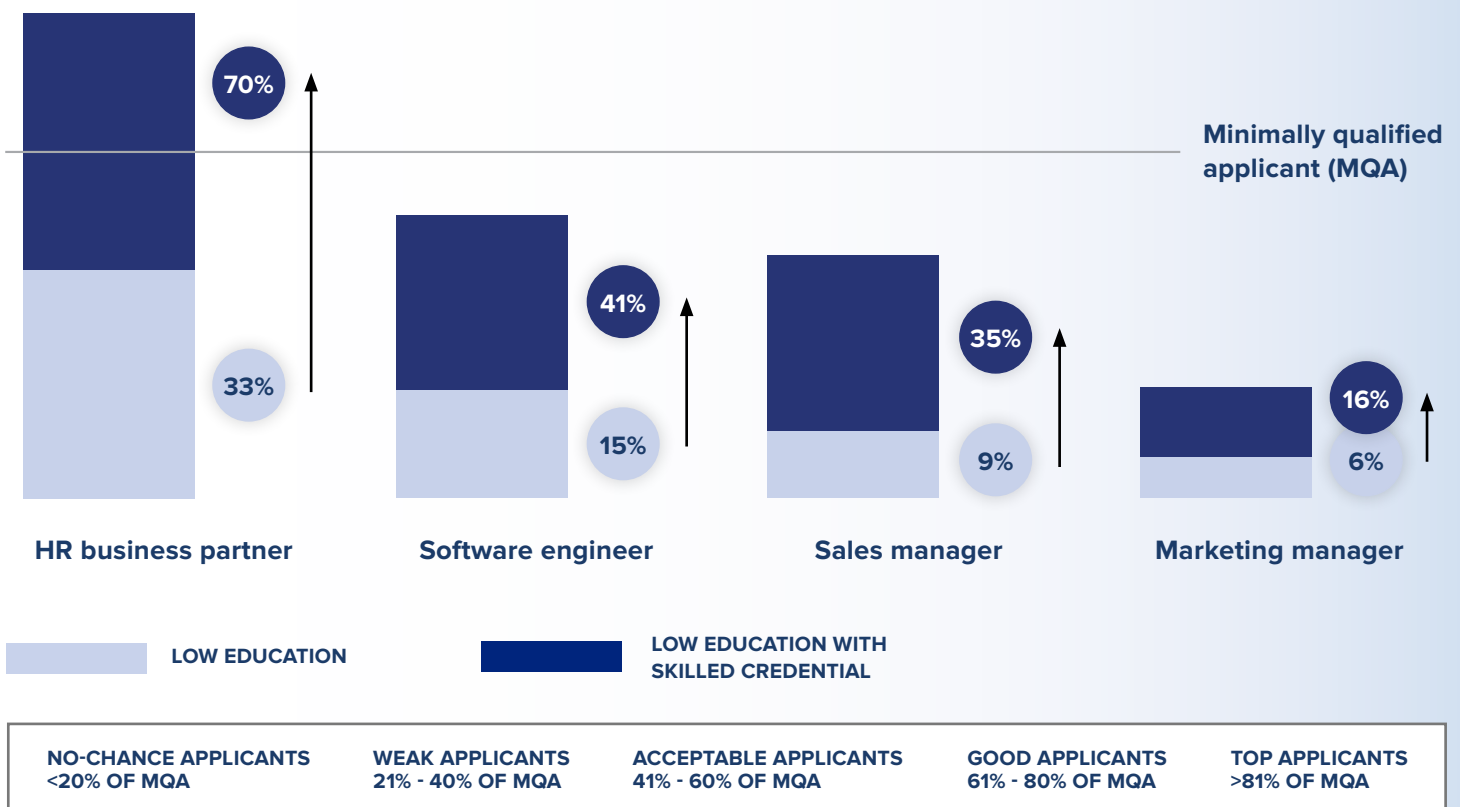


Can skilled credentials compensate for below-minimum education?

To answer this question, we presented recruiters with a pair of applicants who did not meet the education requirement. However, one of them did have a skilled credential relevant to the role. Results indicated a recruiter would seriously consider an undereducated applicant with a credential for two of the four roles: HR business partner (70%—a preferred candidate) and software engineer (41%—an acceptable candidate).

It seems that even when an HR business partner job posting asks for a bachelor’s degree, a SHRM-CP can make an applicant with less than a bachelor’s degree a very attractive candidate. Perhaps in the HR context, this skilled credential provides more proof of relevant HR knowledge than a university degree does.

EFFECT OF SKILLED CREDENTIAL FOR BELOW-MINIMUM-EDUCATION APPLICANTS



Additional analysis of the HR business partner role showed that a candidate with an associate degree plus a SHRM-CP was preferred (59%) over a candidate with a master’s degree (41%) but no certification.



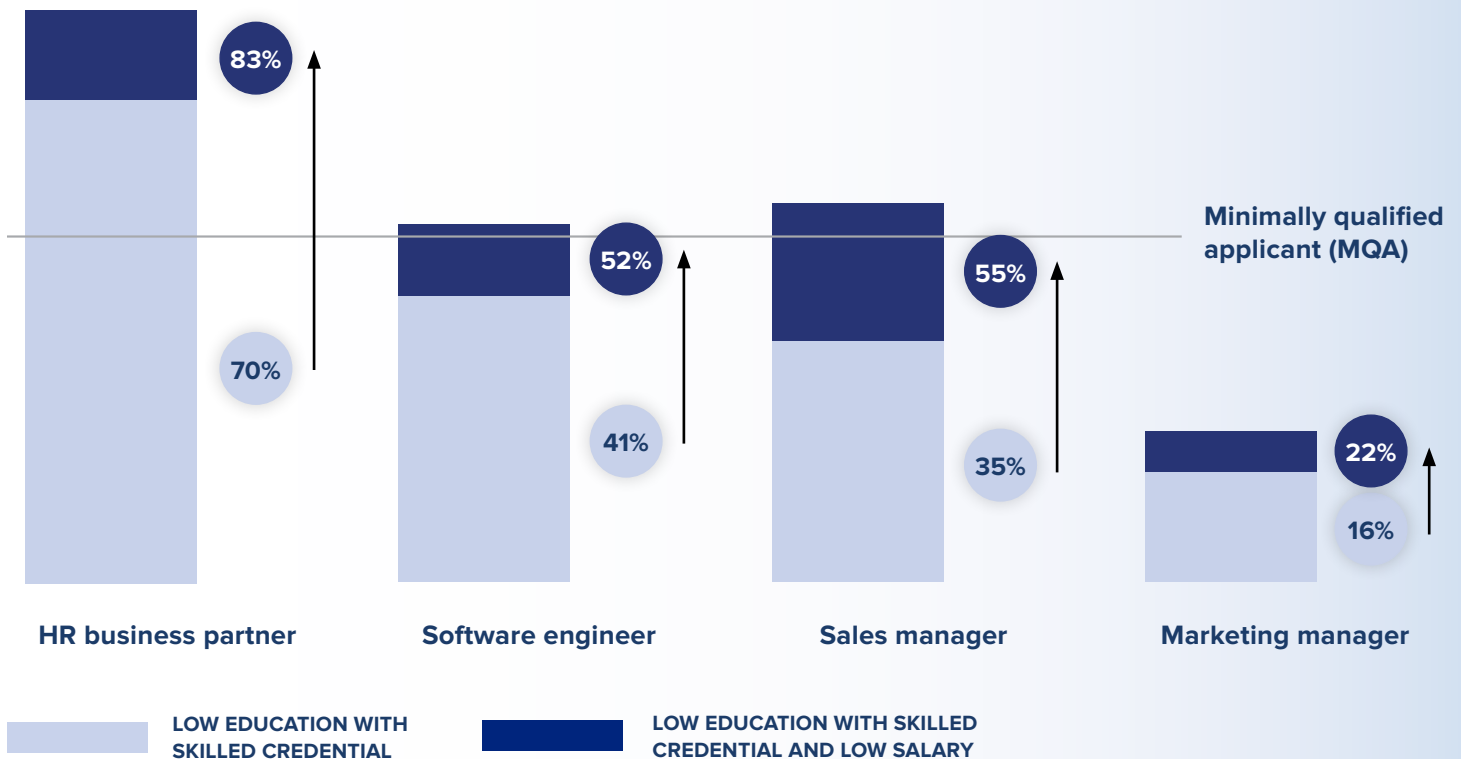
Does asking for a low salary make an applicant with a skilled credential rather than a traditional degree more attractive?

We wondered if recruiters' assessments would change if the undereducated applicant with a certification asked for a low salary. In other words, if someone costs less to hire, would that offset the risk that the person might lack the background to perform well on the job? To answer this question, we presented recruiters with two profiles:

1. Below-minimum education + skilled credential + **midrange salary**
2. Below-minimum education + skilled credential + **bottom-of-range salary**

HR business partner, software engineer and sales manager were the roles for which the lowered salary made a notable difference. It elevated the HR business partner from a good to a top applicant and the software engineer and sales manager to acceptable applicants.

EFFECT OF LOWER SALARY FOR APPLICANTS WITH LOW EDUCATION AND SKILLED CREDENTIAL



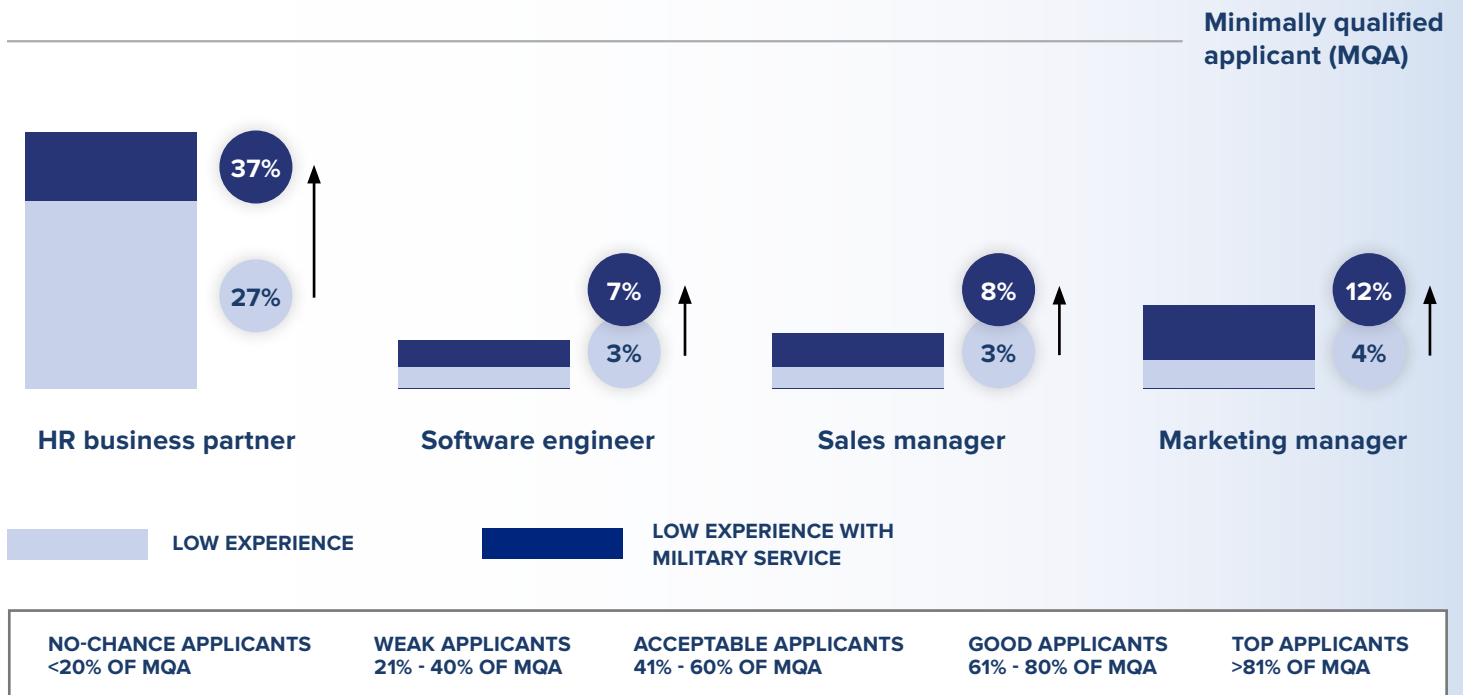
NO-CHANCE APPLICANTS <20% OF MQA	WEAK APPLICANTS 21% - 40% OF MQA	ACCEPTABLE APPLICANTS 41% - 60% OF MQA	GOOD APPLICANTS 61% - 80% OF MQA	TOP APPLICANTS >81% OF MQA
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Can military service compensate for below-minimum relevant experience?

Research has shown that many military veterans have difficulty finding jobs for which their military training matches the expectations of a civilian workplace. For this reason, we tested how recruiters viewed applicants with early-career military experience but insufficient relevant civilian job experience. In this test, one applicant was a veteran while the other was not.

Recruiters valued military service positively for all roles. However, no military veteran applicant without enough relevant experience would be considered for any role.

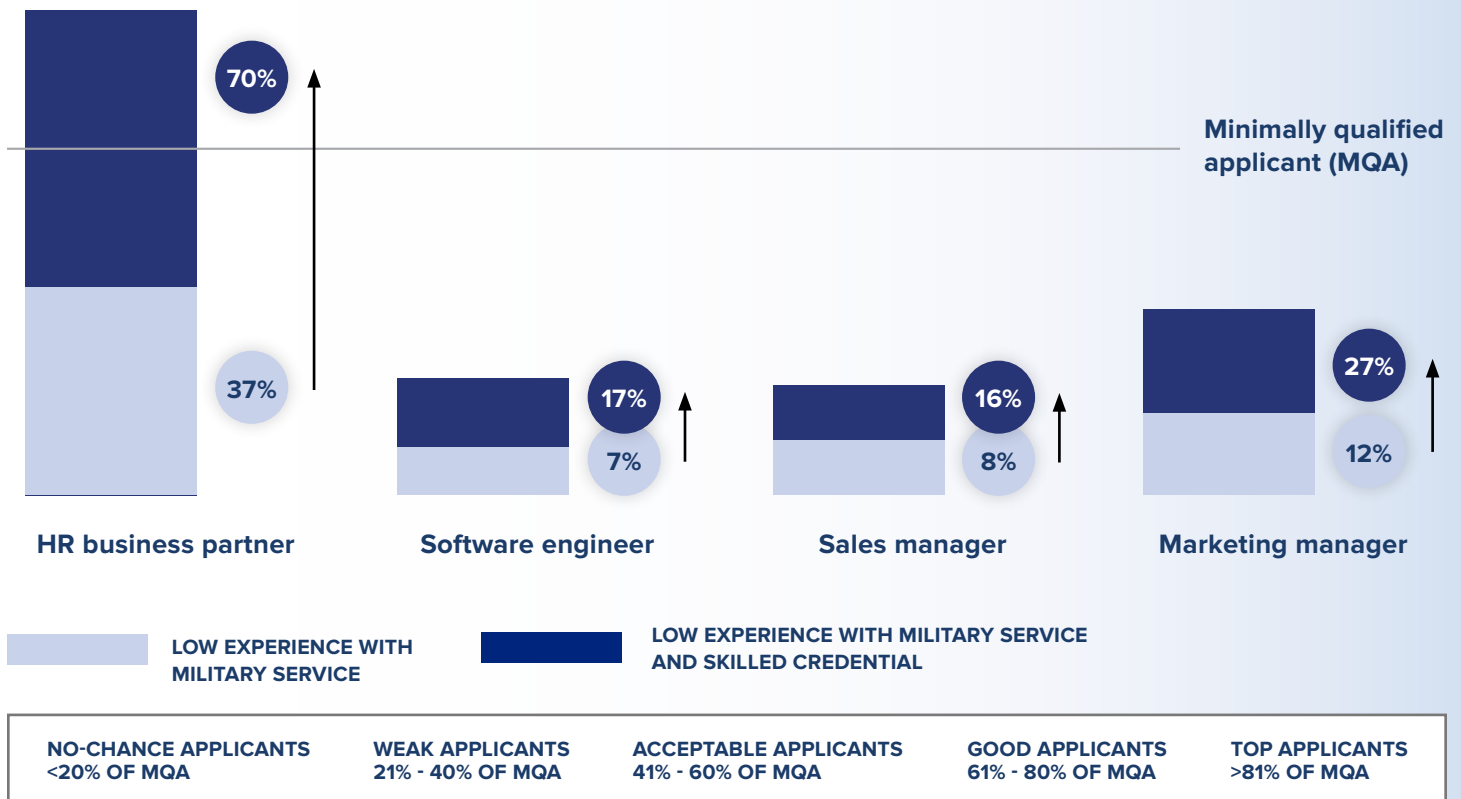
EFFECT OF MILITARY SERVICE FOR UNDEREXPERIENCED APPLICANTS



Next, we took another step by asking how much a veteran with limited experience might benefit from a skilled credential. Here, we compared two veterans lacking sufficient civilian experience: one with a skilled credential, the other without.

1. Low civilian experience + military service
2. Low civilian experience + military service + skilled credential

EFFECT OF ADDING A SKILLED CREDENTIAL FOR APPLICANTS WITH LOW EXPERIENCE AND MILITARY SERVICE



For the HR business partner role, the SHRM-CP provided a significant benefit, raising the veteran from having very little chance to being at the preferred candidate level. For all other roles, adding a skilled credential raised the veteran’s score in a more limited way (by 8 to 15 percentage points). This suggests that a skilled credential might tip the balance for a veteran who has close to the required civilian experience, but it will not substitute for a notable shortfall in relevant job experience. Accordingly, veterans need to clearly state in their applications and screening interviews how the knowledge, skills and abilities they gained in the military apply to the role they are seeking. If they cannot prove that their military experience is relevant, it might not improve their chances of being hired.

RECOMMENDATIONS

For Recruiters and HR Professionals

- The ideal fit is someone with the qualifications to perform at a high level—but not to the degree that the person is overqualified for the role. Hiring managers are wise to bear in mind that the applicant with the stellar resume may soon resign for a higher-level job, unless opportunities for internal promotion and salary increases exist.
- Start the application review by selecting applicants who have the minimum relevant experience. Consider any evidence that skills gained in a different type of role or through indirect experience would transfer to the expectations in the job posting.
- Invest the time to research skilled credentials relevant to a position you are recruiting for, to identify what that knowledge might bring to your organization.
- For individuals who have close to the minimum required experience, consider whether skilled credentials in combination with a fair salary offer in the lower part of the range would make the applicant attractive.
- If a seemingly overqualified candidate reaches the interview stage, it is legitimate to ask a general question such as, “You appear to have very high qualifications. What interests you about this position?” Such a question leaves an opening for the candidate to offer an explanation (e.g., choosing to step back for work/life balance).

RECOMMENDATIONS

For Job Seekers

- Highlight the experience that prepares you for the position. That is more important to recruiters than a relevant university degree.
- Recruiters and hiring managers may be unfamiliar with some credentials. So, in your cover letter, explain how your credential prepares you for a specific position.
- If you are unsure of the salary range for a posting, you may be better off indicating somewhat lower salary expectations and negotiating later. Setting a high salary expectation early in the hiring process may hurt your chances of advancing.
- If the position is (or appears to be) a step back in your career, address your reasons for wanting the position in a cover letter (e.g., work/life balance or a career shift). Without this information, recruiters could decide you are overqualified and move on to other applicants.
- Obtain broadly relevant certifications and other skilled credentials. In HR (and likely other roles), broad certifications can be very important from a recruiter's perspective. Particularly if you lack a traditional educational degree, a relevant certification can help you in the hiring process.

METHODOLOGY

A sample of 1,037 recruiters from the SHRM Voice of Work Research Panel completed the survey in December 2022. All were experienced HR professionals who spend at least 40% of their time on recruiting activities. Those who did not report spending at least this amount of time on recruiting were ineligible to participate.

Gender

Male: 13.7% (142)
Female: 86.3% (895)

Age

18-34: 23.0% (238)
35-49: 48.1% (499)
50+: 28.9% (300)

Race/Ethnicity

Non-Hispanic White: 70.2% (728)
Black: 12.6% (131)
Hispanic: 9.5% (99)
Other: 7.6% (79)

U.S. Region

Northeast: 18.7% (194)
Midwest: 27.5% (285)
South: 35.2% (365)
West: 18.0% (187)
U.S. Territories: 0.5% (6)

All respondents completed a survey and participated in an evaluation of simulated applications for one or two positions. Realistic job descriptions for four jobs—**HR business partner**, **marketing manager**, **sales manager** and **software engineer**—were generated based on examples available on shrm.org. Salary ranges between the 50th and 75th percentile for each position were identified using Salary.com and included as the range for each role. Based on these factors, the job postings were realistic and should be viewed as such.

All respondents evaluated no more than two positions and only evaluated positions with which they had familiarity or previous recruitment experience. The conjoint survey analysis procedure was to present the recruiter with a pair of applications that randomly varied along five factors (see next page). For each pair, the recruiter chose a preferred applicant and indicated whether they would move that applicant forward in the hiring process. The number of evaluations were as follows:

- 🔗 **HR business partner:** 977 recruiters evaluated five pairs of applicants.
- 🔗 **Marketing manager:** 292 recruiters evaluated eight pairs of applicants.
- 🔗 **Sales manager:** 233 recruiters evaluated eight pairs of applicants.
- 🔗 **Software engineer:** 146 recruiters evaluated eight pairs of applicants.

The composite applicants varied randomly on five factors:

1 Three levels of **education**: below minimum, at minimum, above minimum

HR business partner

Associate degree in human resource management
Bachelor's degree in human resource management
Master's degree in human resource management

Software engineer

Associate degree in software engineering
Bachelor's degree in software engineering
Master's degree in software engineering

Sales manager

No degree
Bachelor's degree in business
Master's degree in business administration

Marketing manager

No degree
Bachelor's degree in business
Master's degree in business administration

2 Three levels of **relevant experience**: below minimum, at minimum, above minimum

HR business partner

5 years in HR roles
8 years in HR roles
12 years in HR roles

Software engineer

3-month software engineering internship
2 years in software engineering
5 years in software engineering

Sales manager

1 year in sales role
3 years in sales and sales management roles
5 years in sales and sales management roles

Marketing manager

1 year in marketing role
3 years in marketing roles
7 years in marketing roles

3 Three **salary expectations**: bottom of salary range, middle of salary range, above salary range

HR business partner

\$79,000 \$84,000 \$107,000

Software engineer

\$75,000 \$79,000 \$98,000

Sales manager

\$139,000 \$151,000 \$194,000

Marketing manager

\$113,000 \$122,000 \$156,000

4 Presence versus absence of **skilled credential**

HR business partner

SHRM-CP

Software engineer

Certified Secure Software Lifecycle Professional (CSSLP)

Sales manager

Certified Sales Development Representative (CSDR)

Marketing manager

Project Management Professional (PMP)

5 Three types of **outside experience**: none, military, nonmilitary

HR business partner

None
4 years in U.S. Navy (honorable discharge)
4 years in retail sales

Software engineer

None
4 years in U.S. Army (honorable discharge)
4 years as customer service representative

Sales manager

None
4 years in U.S. Army (honorable discharge)
4 years as customer service representative

Marketing manager

None
4 years in U.S. Army (honorable discharge)
4 years as customer service representative

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