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JOB MARKET

Can an Employer's Past Follow Its Workers?

By HILLARY CHURA FEB. 21, 2009

JOB hunting in this market is hard enough. Pity the candidate coming from Bernard L. Madoff Investment Securities, the Stanford Group or another company tainted by bad news of one sort or another.

Many recruiters and hiring managers do not hold the employee responsible for the possible sins of the employer. But others may. With unemployment at a 17-year high and the job market flooded with flawless C.V.'s, candidates in question may have to work especially hard to convince managers that they are not damaged goods.

"As a recruiter, you are automatically going to jump to conclusions because of the company they worked for," said Shawn Desgrosellier, managing partner at Kaye/Bassman International, an executive search firm in Dallas. "Your wish is that H.R. will want to evaluate them based on their competencies, skill sets and qualifications. However, by working for an Enron or one of those types of companies we all know, it's probably going to hurt you — to what extent, no one knows."

Michael Travis of Travis & Company, an executive search firm in Newton, Mass., said he once had a client who refused to consider candidates from companies with negative associations. Most hiring managers, according to Mr. Travis and others in the industry, are more sensible.

"We've all had bad things happen to us in our lives," said Jody Queen-Hubert, executive director of co-op and career services at Pace University in New York. "The

key is to be able to grow from it, learn from it.”

A candidate's pedigree is more of an issue in the initial screening, where 200 people may have applied for one position and screeners must eliminate résumés, hiring managers said. For candidates who have made it to an interview, managers are more likely to have gotten past the previous-employer issue.

Sometimes, a newsworthy employer can even help land a face-to-face interview. For 11 years, Dan Gauthier of Milford, Mass., was in charge of human resources for Tyco International's global manufacturing health care division. He was laid off in 2005, and it took him two months to find a new job — at Parexel International, a global clinical research company.

Mr. Gauthier said his Tyco experience was an ice breaker rather than an impediment, with people wanting to know if he had met L. Dennis Kozlowski, the former Tyco chief executive who is now in prison on fraud and grand larceny charges.

“Some people would ask me how it was living through those years when Kozlowski was on the front page of the newspapers, but it didn't really go beyond that,” said Mr. Gauthier, who is searching for another human resources position now.

Sean Ebner, a regional vice president at Technisource, an I.T. consulting company, said that coming from a company that made bad choices is less onerous than having worked for one facing criminal complaints.

At Lehman Brothers, for example, “you can make the argument that it was more poor risk management that brought down the firm,” Mr. Ebner said.

Compare that with Bernard L. Madoff Investment Securities, where Bernard L. Madoff is accused of running a Ponzi scheme that cost investors some \$50 billion. Nearly a dozen people who have worked for the firm did not return calls for comment on their employment outlook, and one who did return a call said he did not want to comment.

For some hiring managers, length of tenure can make a difference, said Diana Sadighi, director of human resources at Hunter Douglas, the window treatment company. Ms. Sadighi, who is based in Broomfield, Colo., said that someone would probably be less compromised if they spent only six months at a troubled employer, versus, say, six years.

Proximity to bad news is also a factor. Top-level executives in questionable departments should expect intense scrutiny; technology workers left unemployed because of an accounting scandal should not fear. When Enron collapsed early this decade, for example, recruiters were sympathetic to employees caught in the conflagration and tried particularly hard to find them jobs, said Greg Garrison, president of the recruiting division of VCFO, a consulting firm in Austin, Tex.

WHETHER they were associated with the savings-and-loan debacle of the 1980s and early '90s or a more recent crisis, employees have generally landed on their feet, human resources executives agree. That said, as more scandals hit and more companies fail in this recession, more employees will be called upon to explain their roles at their previous employer. And it will be up to hiring managers to tease out bad operators from unfortunate bystanders.

“Some very good people were in those organizations, and they can and will go on to do good things,” said David T. Orlandella, managing director of Enhanced Capital Partners in Austin. He said he had hired candidates from Enron and WorldCom when he was at U.S. West and he would hire veterans from questionable companies again — provided, of course, that they were not associated with wrongdoing.

Employees who advance in the hiring process should expect microscopic pre-employment scrutiny, though.

“What makes a résumé go from toxic to fatal is the person's attitude,” said Sharon Blaivas, an independent résumé writer at Shakeupmyresume.com and former recruiter for Goldman Sachs. “The fact is what the fact is — they worked at a place with problems — and that doesn't make them bad.”

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