

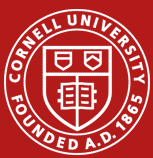


Making the Most of Internal Hiring

JR Keller

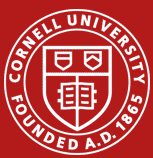
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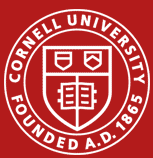
Why hire internally?

- Internal hiring benefits firms and workers
 - External hiring is often an expensive gamble
 - Workers are more likely to advance their careers internally
 - Workers seem to actually prefer internal mobility
 - Positive spillovers for other workers



How to hire internally?

- 2 most commonly used process are *posting* and sponsorship
- Posting – if done correctly – leads to better hiring decisions
 - Also leads to slightly higher salaries for workers
- But posting doesn't just create winners . . .



Managing internal rejection

- Rejection isn't just emotional
 - Workers test the internal market to gauge their opportunities for future advancement
- We studied turnover among ~2,000 rejected internal candidates and found that they are:
 - ~60% **more likely to stay** if an internal candidate is hired
 - ~50% **more likely to stay** if they were interviewed by the hiring manager
 - **More likely to leave** if attempting to make a move many others have made in the past
- Other strategies for maximizing retention after a rejection include:
 - Having the hiring manager contact the candidate directly
 - Providing information about future internal opportunities



Questions?

- My questions for you:
 - How do you handle internal rejections?
 - What works well?
 - What doesn't seem to work?
- Questions for me?