

Pros and Cons of Internal and External Recruiting

Promoting from Within	Hiring Externally
<p>Potential Advantages</p> <ul style="list-style-type: none"> • Easier to assess applicants since more information is available • Less costly and quicker than an external search • Promoted employee is already familiar with organization policies, culture, etc. • Signals to employees that career opportunities exist in organization • Improve employee morale and organization loyalty • Lower costs for some jobs • Less likely to make major changes and “upset the apple cart” 	<p>Potential Advantages</p> <ul style="list-style-type: none"> • Provides new ideas / fresh perspectives • May bring new insights from other industries • Initiate a turnaround • Hiring experienced employee can reduce training needed • Internal politics may be avoided (e.g., less upsetting to present organizational hierarchy) • Allows rapid growth • Increase diversity • Only hire at one level • Bigger talent pool / more applicants
<p>Potential Disadvantages</p> <ul style="list-style-type: none"> • Narrowing of thinking and stale ideas (inbreeding) • May not help turn company around • Training will be needed and learning curve will occur for the job duties • Internal politics will occur (e.g., possible discontent of rejected applicants; new subordinates discount new boss’ knowledge and expect special treatment; etc.) • Difficult to do with rapid growth • Affirmative action goals may be more difficult to achieve • Ripple effect • Smaller talent pool / fewer applicants 	<p>Potential Disadvantages</p> <ul style="list-style-type: none"> • Less information available on applicants • Search takes longer and costs more • Outsider takes time to become familiar with current systems and organization culture • Destroys incentive of present employees to strive for promotion • Can hurt employee morale and loyalty • May have to pay more for the job • Current organization members may fight new ideas