"Boomerang" performance is on par with internal employees who never left the firm, new paper finds

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Organizations seeking to fill internal roles traditionally have two options:

promote from within or hire externally. Internal promotions benefit from being vetted talent who possess firm-specific skills while outside hires harbor external knowledge that can infuse an organization with new energy. Though this dichotomy is often accepted as unavoidable, there is a third option: boomerang employees.

Boomerang employees are those who return to an organization after an amicable absence. Whether the absence was for personal or professional reasons, their return provides unique value to an organization in that they represent external employees and the knowledge they contain yet have internal job experience. There is evidence to suggest that boomerangs gain practical experience and develop their network at interim firms while also outperforming non-boomerang external hires when placed in roles that involve relational demands and administrative coordination.

However, previous research has not fully assessed the financial, psychological, and behavioral differences between boomerangs and those developed internally. To address this gap, a new paper contrasts the outcomes for boomerangs with those of internally promoted employees to help firms determine whether to invest in talent management strategies that include boomerang rehiring or to focus on internal strategies that develop current employees.

Are boomerangs employees ideal hires for performance?

The paper, "Hello Again: Managing Talent with Boomerang Employees," by researchers at Carnegie Mellon University, Providence College, and University College Dublin, was published in the journal, *Human Resource Management*.

Researchers utilized a sample from a professional services firm in the

United States and drew from literature on talent management and psychological contracts to compare the compensation, satisfaction, commitment, and performance of boomerang employees to similar employees who never left the firm ("internal hires"). They found that reentry yielded improvements in compensation, satisfaction, and organizational commitment for boomerangs relative to matched internal hires. Yet, even as evidence suggests that boomerangs are more satisfied and committed employees, they are not necessarily better performers than internal hires.

"When compared to internal employees who never left the firm, boomerangs aren't better performers but they are happier and paid significantly more," said Catherine Shea, assistant professor of Organizational Behavior and Theory at Carnegie Mellon's Tepper School of Business, who co-authored the paper. "This counters much advice in the human resources world, which pitches boomerangs as ideal hires for performance."

The researchers theorized that when boomerangs are rehired, they are able to craft a more personalized and informed employment contract that allows for a stronger exchange relationship and a reduction of the negative feelings that may have led to their initial turnover from the organization. Boomerangs are likely to receive higher compensation than internal hires due to market and institutional forces—employees who stay with a firm are more likely to experience salary compression while those who have left a firm often do so in response to a more lucrative offer, increasing their salary negotiating power—both increasing compensation.

Furthermore, boomerangs are further likely to feel valued by the organization, as its hiring managers actively chose to rehire them. This dynamic also encourages boomerangs and employers to increase mutual commitment due to feelings of personal obligation.

More satisfied and committed employees

While the researchers found no differences in performance ratings, they also measured how boomerangs allocated their time towards billable and non-billable hours. As billable hours are for client engagements, employee performance is often indicated by the number of hours they bill. The paper defined non-billable hours as internal-facing projects such as administrative or committee work, recruiting, or business development activities. While boomerangs did not have higher billable hours, the research does indicate that, compared with internal hires, boomerangs performed a higher number of non-billable hours, suggesting they focused on different tasks, specifically tasks related to developing the organization.

Overall, the paper reveals that boomerangs are more satisfied, committed, and engaged in more tasks to benefit the firm as compared to their matched counterparts who did not leave the organization.

More information: Deirdre G. Snyder et al, Hello again: Managing talent with boomerang employees, *Human Resource Management* (2020). DOI: 10.1002/hrm.22051

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