What are internal sources of job candidates? How can managers forecast the supply of internal candidates.

Introduction

In a rapidly changing world, nobody is willing to stay on the job for a lifetime. Everybody is constantly looking for opportunities of growth. Internal Recruitment provides that to the employees that are performing well. It also helps company retain its top talent and motivate its employees. Therefore, companies use multifold method to correctly position their current employee in the most competitive roles. They use transfers, employee referrals and succession planning. Moreover, before the actual position move, company keeps an estimate of its internal talent for each role by analyzing present labour conditions. Using SWOT analysis, Markov's analysis, Trend Analysis and workforce ratios allow better estimates of these measure estimates. However, no one practice is enough. The steps and methods supplement eachother to form the best possible approach. IT has also allowed internal hiring methods to be used in making better estimates. The whole process of internal hiring is now a circular process, rather than a series of steps.

Defining the internal sources of job candidates

Internal sources of job candidates refers to methods of recruiting on job openings, with in an organization, by considering existing employees for new or open positions.

Popular tools for Internal Recruitment

Transfers

Internal Job Postings

Sources
of
Internal
Recruitment

Employee
Referrals

Succession
Planning
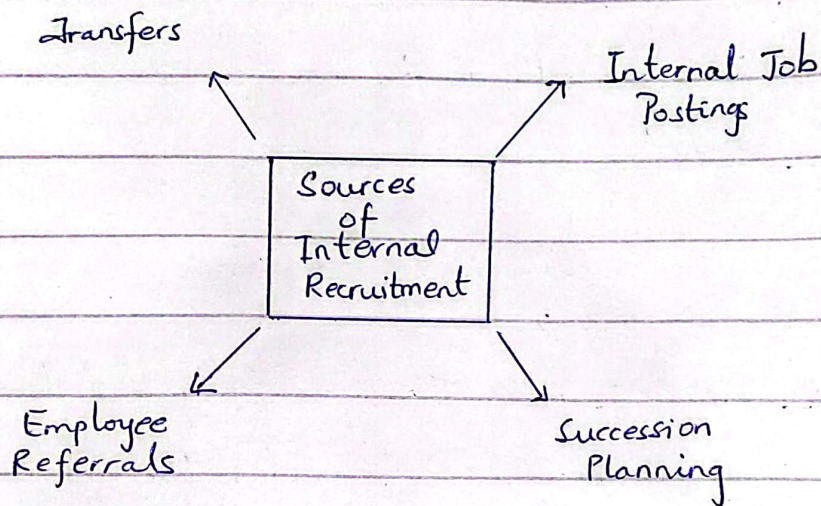
(a) **Transfers:**

Transfer refer to movement of employees among departments. Transfers are usually based on employee interest or latent talent recognized by company. In Nestle Pakistan, most marketing department is formed from employees transferred from sales. These employee showed interest and performance is tasks related to increasing brand health; hence they were transferred to a different department.

(b) <u>Internal Job Postings</u> :

In case an employee has not shown interest in a position previously but is now open to trying a different role, internal job posting is the key. Internal job posting is a post of vacancy on company's intranet. It is very similar to posts on external recruitment websites, such as Linked In or Indeed, except they are on internal company forums. This usually is for transfers and rarely for promotions.

(c) <u>Succession Planning</u> :

Succession Planning refers to identifying and developing employees for future leadership roles through Succession planning. It ensures that the company has a pipeline of qualified people for its critical positions. For example, an assitant brand manager in Unilever is constantly being trained on the job for training into a brand manager. The Management Trainee Programmes also are a part of such planning.

(d) <u>Employee Referrals</u> :

Employee referrals occur when an existing, usually senior employee, suggests an internal

candidate for a job opening. Such a referral is based on experience of working with the employee.
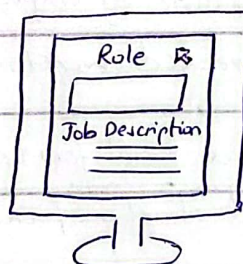
Optimizing the use of Internal Recruitment Methods: A case study of Nestle Pakistan

Today, companies use multiple source of internal recruitment for hiring the best person for a job. The diagram bellow explains how Nestle Pakistan fills its vacant pocitions, using internal hiring.

I) Pre-reqs for candidate : Employee's Referral

| Performance Appraisal A* | Manager's feed back | Employee's Career Goals Performance Development Session |

II) Application for the job : Internal Posting

Role
Job Description

III) Acceptance of Application : Succession Planning

Employee 1

→ leadership workshop
→ team-lead
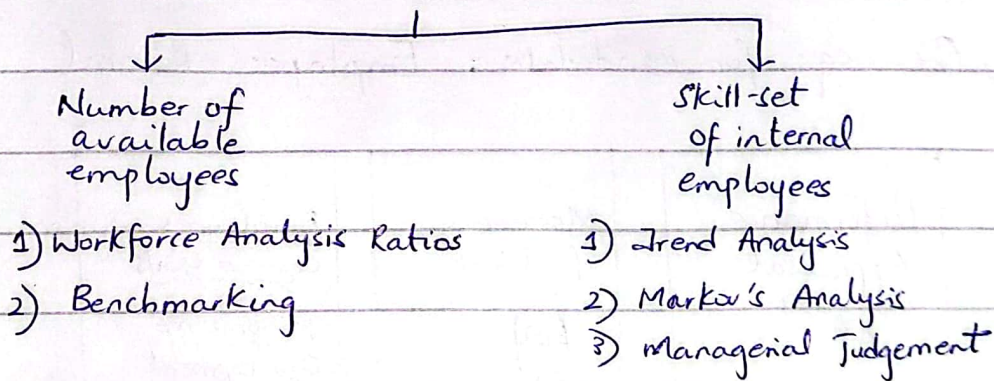→ multi-department attachment

(✓)

Employee 2

→ recent hire
→ good performer, meets KPIs
→ excellent team and individual skills.

(X)

Practices to forecast supply of Internal Candidates

Supply of Internal Candidates

Number of available employees

1) Workforce Analysis Ratios
2) Benchmarking

Skill-set of internal employees

1) Trend Analysis
2) Markov's Analysis
3) Managerial Judgement

Workforce Analysis Ratios

⇒ Includes multiple different ratios:

$$Productivity\ Ratio = \frac{Work\ done\ by\ employees\ in\ X\ hours}{Expected\ work\ done\ in\ X\ hours}$$

$$Turnover\ Ratio = \frac{Total\ employees\ left}{Total\ Number\ of\ employees}$$

This can help in forecasting how many new employees

are needed give productivity per employee and rate of resignation.

Benchmarking :

The number of employees of other companies in your industry can give you goals for hiring.

Trend Analysis :

The previous data is used to check past trends and is then adjusted for future trends and companies goals. For example, hiring of tech-savy people in marketing agencies today

Markov's Analysis :

It helps analyze transfers and promotions in the past. One can expect that they will remain similar in future as well as use the data to forecast accordingly.

Managerial Judgement

Experienced managers, such as departmental heads, can also give you estimates about skills needed for future projects using their best judgements'

Critical Analysis of forecasting Methods:

	Method	Pros	Cons
1)	Workforce Analysis Ratio	→ Quantifies the hiring	→ Might represent issues in past hiring which should not be replicated in future .
2)	Benchmarking	→ Easy to do if data is given	→ Difficult to find exact data
3)	Trend Analysis	→ Helps company remain competitive	→ Company's goals are less priortized
4)	Markov's Analysis	→ Quantifies the hiring process → Best estimate of vacant posts	→ More related to succession planning than hiring → Not expecting growth
5)	Managerial Judgement	→ Focused on company's goals	→ Totally subjective

Supplementing Practices for better recruitment

In order to identify the strengths, weaknesses, and opportunities of our current staff, it is useful to use multiple methods. For example using trend analysis and managerial judgement can help in eliminate eachother's bias. Therefore for better fore casts a combination should be used.

Conclusion

In the 21st century, the job market has gone global which presents alot of opportunities for hiring but make finding the right fit more difficult. Therefore, internal hiring provides an opportunity to find new talent is a culturally integerated employee. It is best to perform internal recruitment after forecasting. The forecast estimate is more accurate if multiple methods are used. After forecasting is done, correct cuccession planning and hiring can help ensure that new openings are best filled.