

Chart of difference between Internal Source and External source of Recruitment

Points of differences	Internal Source	External Source
Meaning	When vacancies are filled with existing employees of the organization then it is called an internal source of recruitment.	When the candidates are invited from outside the organization it is called an external source of recruitment.
Sources	It includes Promotion, Transfer, Employee referrals.	It includes direct recruitment, advertisement Employment Exchange, Recommendations from present employees, (It includes the friend and relatives).
Basis	On seniority, cum merit basis employees are recruited.	Merit and qualification are strictly followed.
Cost	Internal source is the inexpensive as compared to external source.	It is very expensive because time and resources, and expenses are included.
Choice	It has limited choice.	It has wider choice to select the candidates.
Example	Promotion of assistant manager to Departmental Head. A person is only got a promotion if he does his work efficiently and according to the given task.	Recommendations from present employees, (It includes the friend and relatives) Placement Agencies, Campus placements, Labour Contactors, Advertisement on TV, Web Publishing (the common websites like: Naukari.com, Monster.com), etc are the methods used as external sources.
Staff	In the organisation existing staff feel motivated.	Existing staff feel dissatisfied.
Time	Less time consuming.	It is time consuming because candidates are invited from outside the organization with a long procedure.