

Good critical thinking on hr planning and retention

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The supply and demand forecasting of human resource is the process when the availability of the human resource is determined and estimated after the demand from the human resource department. In order to forecast the availability of human resource, it is important that both internal and external supply of human resource must be estimated. The difference between the both is that an internal supply of human resource determines the employees that are being promoted, can get internally transferred, will be retiring and laid-off. The external sources take into consideration the labor force of the external market that can help in fresh recruitments within the company. The external supply of labor force can be taken with the help of resources provided by the government when they estimate the trends of labor force population (Mathis et al., 2015).

The importance of estimating an internal source of supply is that an organization will be able to determine the employees that can be used in succession planning and create a pool of talent management. This way a company will be able to determine its employees with competencies. At times, it is possible that there are employees waiting to get promoted or transferred internally and if an organization hires from external sources they may feel demotivated and their productivity level may decline. Hence, it is important that an organization must focus on internal sources of human resource supply when planning for their future (Pynes, 2013).

The importance of external sources of supply is that the once an organization lacks an internal source of supply, it turns towards external sources of hiring. Bringing in fresh blood from the market not only makes the internal environment of the company more competitive, but also fresh ideas

pours in and the company is able to perform better in a competitive working environment (Gupta, 2009).

References

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Pynes J. (2013) Human Resources Management for Public and Nonprofit Organizations: A John Wiley & Sons.