

1. **HRM functions that are important for a company include:**

- Human resources planning
- Staffing
- Performance management
- Compensation and benefit management
- Training and development
- Maintaining a harmonious employee relationship

2. **Human resources planning (HR planning) is the foundation of a company's staffing process.**

With human resources planning (HR planning),

- a company can *forecast* the number and type of employees it requires.
- it can then carry out the *staffing process* to acquire the right employees to achieve its objective.

3. **Human resources planning (HR Planning) is important to a company as it helps a company:**

- determine and predict future manpower needs
- adjust human resources requirements according to environmental changes
- provide a necessary basis for designing and implementing other HRM functions
- comply with government employment regulations

4. **If current manpower is over-utilised,**

- this will increase the company's demand for manpower.
- Fewer staff may need to be laid off. This can ease the workload of the existing staff.
- The manager should ensure that the company has sufficient qualified staff to achieve its objectives.

If current manpower is under-utilised,

- this will reduce the company's demand for manpower.
- A larger number of staff may need to be laid off.
- This can ensure that the company's human resources are effectively utilised.

5. **A skills inventory consolidates employees' information relevant for promotion & transfer decisions.**

With a skills inventory, HR managers can determine

- if any current employees are *qualified* to fill the job vacancies.
- They may consider *promoting internal* employees or *transferring* employees internally to fill the company's planned openings.

6. **The role of a human resources manager in the recruitment process:**

- Review the job description and job specification
- Discuss the terms and conditions of employment with related managers
- Design the recruitment advertisement or notice
- Select appropriate advertising channels and place the advertisement or notices
- Receive and select job applications

7. **Staffing concerns the acquisition of a sufficient number of qualified employees to fill a company's planned openings.**

The staffing process may use to fill the position of a marketing manager is as follows:

- **Recruitment**

With *a job description and a job specification*, a company can identify the type of people it requires for the marketing manager position.

For example, it may want to recruit a person with marketing experience in a related industry. It may then attract potential candidates to apply for the position by *advertising* in newspapers.

Other *job posting methods* (e.g., advertising on its intranet and corporate website, through employment agencies, Internet ads and job fairs, etc.) are also acceptable.

- **Selection**

The company then *compares* the relevant characteristics of each job applicant against the job requirements. It can start *screening* and *select* the most suitable candidates to be hired.

As such, the *assessment* may be in the form of a personality test and group interview. *Reference checks* should also be done to verify the accuracy of the information provided by the job applicants.

- **Employment**

The company then needs to *make an offer* to the selected candidate and convey the details of the offer. It also needs to *sign an employment contract* with the candidate. It should also inform the failed candidates of the result in a polite and sincere manner so as to preserve its corporate image.

8. **Job analysis is important** to a company because:

- Without job analysis information, the company would not be able to determine the type of people it needs to recruit in order to sustain its operations.
- Job analysis thus provides valuable input for a company in performing human resources planning.

9. **Job selection process:**

- After a *preliminary screening*, a company may *shortlist* applicants for subsequent interviews and assessment sessions.
- A *personality test* and an *unstructured interview* might be used as tools to *assess the suitability* of candidates for the position.
- *Reference checks* can also be used to verify if the information supplied by the applicant is accurate or not.

10. **THREE** kinds of information which a company commonly asks an applicant's referee when investigating the applicant's background.
- The positions/ranks the applicant has held
 - Wage level the applicant has been given
 - The applicant's character/personality

11. **Job analysis** is a procedure used to determine
(1) the duties and skill requirements of a job and
(2) the characteristics of the person that should be hired for it.

- The outcomes of job analysis are a *job description* and a *job specification*.
- *Job description* provides information about a job's duties, responsibilities, reporting relationships, and working conditions.
- *Job specification* lists the knowledge, abilities and skills required to perform the job satisfactorily.

An HR manager can use the information provided by the job description and job specification as a basis for screening applicants in the staffing process.

12. **The company can cope with a situation of its labour demand is smaller than its supply as follows:**
**** Reduce the number of staff** (Cutting staff)**

- **Natural attrition:** This is a natural and gradual reduction in the number of employees through retirement, resignation or death.
- **Layoff:** The company can terminate its employment relationships with an employee.
- **Early retirement or voluntary resignation inducements:** The company can offer financial incentives to persuade existing employees to choose early retirement or voluntary resignation.

13. **Methods of cutting staff include:**

- **Natural attrition:** This is a natural and gradual reduction in the number of employees through retirement, resignation or death.
- **Layoff:** A company terminates its employment relationships with an employee.
- **Early retirement inducement:** Companies may offer financial incentives to persuade existing employees to choose early retirement.
- **Voluntary resignation inducement:** Companies may offer financial incentives to persuade existing employees to choose voluntary resignation.

14. **Advantages of laying off those with a shorter length of service.**
- The criteria for determining which employees are to be laid off is *objective*.
 - This can save the company money on *severance payments*.
 - Firing employees with a shorter length of service may convey a message to the current staff members that the company *rewards loyalty*. This can encourage employees to be more committed to the company.
 - This can help the company **retain staff who are familiar with** the industry and the company's policy.
15. **Staff turnover refers to natural attrition which reduces the number of employees.**
- A high staff turnover rate refers to a high percentage of employees who leave the company.
 - if a company, has a high staff turnover rate, it may need to frequently recruit employees to fill its vacancies.
 - This might increase its recruitment and training costs.
16. **The company can cope with a situation of its labour supply is smaller than its demand as follows:**
**** Increase the number of staff** (hiring more staff)**
- The three methods to acquire the needed workers / filling a post are:**
- *Permanent hire*: recruiting a person as a regular or permanent staff member.
 - *Temporary hire*: recruiting a person for a specified and usually short period. (e.g., six months or one year).
 - *Outsourcing*: hiring a contractor to perform some jobs which are done internally by paying a sub-contracting fee.
17. **Factors affecting the choice of permanent hire, temporary hire and outsourcing include:**
- Whether the company's *demand* for additional employees is permanent or temporary.
 - The *financial resources* the company has.
 - The *degree of control* the company wants to have over its employees.
 - The degree of employee *commitment* the company wants to develop.
18. **Hiring employees as permanent staff:**
- can provide them with more job security
 - well-being of staff can be enhanced since better welfare and benefits provided
 - Service quality can thus be maintained
 - Permanent staff are more committed to the job
 - More loyal to the company
19. **Advantages of hiring temporary staff to fill job vacancies are as follows: (part-time/contract)**
- It gives the company the *flexibility* to employ workers when needed.
 - The company can *save on the costs of employee benefits*, e.g., medical insurance, retirement benefits, etc

20. **Disadvantages of hiring temporary staff to fill job vacancies are as follows:(part-time/contract)**
- Temporary staff may require higher pay rates than permanent staff.
 - The company will have a higher staff turnover rate. This might increase training costs for the company.
 - Temporary staff may not feel a sense of belonging to the company. They will be less committed to their job. This might affect their job performance and the company's productivity as a whole.
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21. **Permanent vs temporary workers:**
- When compared with **permanent workers**, the employment terms **for temporary workers** are usually less favourable (e.g., lower salary, fewer employee benefits).
 - The company can reduce the working hours of temporary workers. It can then be more flexible about deploying workers when needed.
 - The company can save on the costs of employee benefits, e.g., medical insurance, retirement benefits,
 - To save the wages and fringe benefits offered with long-term contracts
 - For greater flexibility
 - The job has relatively high mobility.
 - The employees' sense of involvement is not important to the company.
22. **Reasons why a company prefers recruiting outside the company rather than appointing internal staff for a new job position. ****External recruitment******
- Lack of suitable talent in the company
 - To introduce new ideas by absorbing talent from other companies
 - To expand business
23. **Companies want to fill their positions with external candidates as**
- this can provide the company with *new insights and skills*.
 - This can also *save on the costs of training* existing employees for the new posts.
 - The *lack of availability of sufficient candidates* inside the company is another reason to seek external candidates.
24. **The kind of company will have a smaller supply of external candidates:**
- *Small companies* (as they may have limited resources in offering attractive remuneration packages, and they have to compete with large companies for applicants)
 - Companies which are *located in remote areas* (e.g., Tin Shui Wai, Yuen Long, etc.)
 - Companies in industries which have *less promising prospects* (e.g., printing and mass media, etc.)
25. **The government can change the size and composition of a country's labour force by:**
- Importing foreign labour
 - Attracting talent from other countries
 - Providing education and training for local people

26. **Factors affecting the supply of external candidates of a company:**
- An *ageing workforce* indicates a decrease in the labour supply in future. The supply of external candidates for a company will decrease.
 - If the *unemployment rate* is low, the supply of external candidates for a company will decrease. If the *unemployment rate* is high, the supply of external candidates for a company will increase.
 - **Training and development:** The supply of labour will decrease in the short term if people choose to continue their studies after graduation.
27. If the **unemployment rate** is low, the HR manager will find it difficult to recruit a sufficient number of quality employees.
As a result, the HR manager will need to offer more attractive remuneration packages (e.g., higher salaries, travel allowances) to attract job applicants.
28. **Job posting methods commonly used to attract external candidates are:**
- advertising in the *mass media* (e.g. Classified Post) or on the Internet
 - employment agencies (government and non-profit employment agencies, and commercial employment agencies)
 - employee referral
 - professional institutions / trade unions
 - job fairs
29. **The three types of employment agencies in Hong Kong are:**
- (i) Government employment agencies (Labour Department)
 - They have wide coverage.
 - Their services are usually free of charge.
 - (ii) Non-profit employment agencies(Professional institutions, e.g HK Institute of Marketing)
(placement offices of colleges and universities e.g. recruit trainees)
They can target candidates of a particular group (e.g., students, middle-aged people, etc.)
 - (iii) Commercial employment agencies
They are experienced in acquiring white-collar employees and managerial personnel.
30. **A company may hire commercial employment agencies for help:**
- The company does not have its own HR department and is not geared to recruiting and screening.
 - The company has found it difficult in the past to generate a pool of qualified applicants.
 - The company must fill an opening quickly.
 - There is a perceived need to attract a greater number of minority or female applicants.
 - The company wants to reach currently employed individuals who might feel more comfortable dealing with agencies than with competing companies.
 - The company wants to cut down on the time devoted to recruiting.
 - Commercial employment agencies are experienced in acquiring managerial personnel, this will save the company a lot of time in screening suitable applicants for the job position.

31. **The Labour Department:**
- the jobs posted there are normally *entry level*.
 - *Managerial personnel* are not commonly recruited through the Labour Department.
 - In addition, *human resources professionals* will not likely use the services of the Labour Department.
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32. **Advantages of using job fairs to recruit employees are:**
- Save on costs and time in placing advertisements and holding interviews, etc.
 - A quick way to attract many applicants/jobseekers
 - Speed up the recruitment process as companies can interview applicants onsite
33. **The advantages of Online job posting in hiring employees are:**
- It is a quick way to attract a lot of applicants.
 - Online job posting can have a *world-wide coverage*. It can be used to attract international experts and professionals.
 - Given its wide coverage, online job posting is more *cost effective* when compared with other job posting methods (e.g., placing advertisements in newspapers, or through employment agencies)
 - *Internet advertising*: As most applicants for these jobs are relatively young, the Internet represents a popular medium for acquiring job information. The wide use of the Internet among these younger jobseekers also means that it is a cost-effective job posting method.
34. **The advantages of posting the job vacancy in the newspaper are:**
- It has wide coverage.
 - It is cost effective.
 - This is a popular and cost-effective method for posting front-line service jobs.
- (b) **The problems are:**
- There are too many applicants. The company cannot give each candidate sufficient time for an interview.
 - The company will have to devote a lot of time to interviewing the job applicants. This will distract the manager from work.
35. **Factors affect internal inflows of human resources:**
- Promotions
 - Internal transfers
36. **Factors affect outflows of human resources:**
- Termination
 - Retirement
 - Staff turnover rate

37. **Employee referral:**

Advantages of filling job vacancies through employee referral:

- The company will have more confidence in the suitability of the applicants.
- New employees may find it easier to adapt to the working environment.
- Lower costs will be involved relative to other means.

Disadvantage of filling job vacancies through employee referral:

- This may violate the principle of equal employment opportunity.
- The current employees and their friends are likely to have developed their own working habits and culture. They may not bring new insights and ideas to the company.
- The current employees and their friends work closely with each other at the company. They might tend to cover for each other's mistakes. It may be difficult for the manager to detect underlying problems at the restaurant.
- The current employees and their friends may develop a close relationship with each other. If an employee leaves the company, he may ask other employees to follow him.

38. **Outsourcing**

means hiring a **contractor** to perform some jobs that are done internally by paying a **sub-contracting fee**. The reasons are:

- By outsourcing, companies can lower their costs.
- By outsourcing non-core jobs to contractors, companies may concentrate on their core businesses.

- 39.
- A resumé enables the employer to perform preliminary screening and reject applicants who do not fulfill the job requirements.
 - Qualified candidates can be shortlisted for further assessment.

40. **Methods select a job applicant:**

- Test
- Interview
- Reference check
- Medical examination

41. **Conducting an interview with an applicant may be subject to various interviewer biases including:**

- The interviewer may have a tendency to recruit people similar to him.
- The interviewer may have a tendency to jump to a conclusion based on first impressions only.
- Some interviewers may over-focus on a particular strength or weakness of an applicant, thereby failing to assess the applicant's overall suitability and capability.

42. **Reasons of conducting an [interview](#):**

- An interview is a means of *collecting information* from people by asking them questions.
- Conducting interviews allows interviewers to *evaluate* job applicants through *face-to-face observation*.
- The interviewer can thus *predict* the applicants' job performance based on their responses to the questions.

43. **Items commonly would be tested in a job interview:**

- Speech capability
- Problem-solving capability
- Politeness and manners
- Industry knowledge

44. **Types of interviews:**

Group interview: When the interviewer wants to observe the candidates' interaction with other applicants

Stress interview: When the interviewer wants to examine whether the candidates can perform well under stress

Advantages:

- Direct face-to-face interaction
- Useful to examine applicants' communication skills
- Useful to obtain additional information from applicants

Disadvantages:

- Subjective evaluation
- Decisions made based on first impression
- Interviewers' biases affect the selection decisions

45. **Reasons why it is more effective for a company to select a candidate through a [work sampling technique](#) than a job interview.**

- It directly reflects the candidate's job-related capability.
- It provides a more objective benchmark for assessment.
- As the company assesses the candidate according to work performance, subjective biases against candidate can be reduced.

46. **a [stress interview](#) may test candidates'**

- stress tolerance,
- emotional stability and
- Communication skills to cope with the job.
- It may threaten some applicants and make them lose interest in the company.
- It may be unethical to the applicants if the job doesn't require them to handle much stress

47. **Structured interview** refers to the interviewer's assessment of the applicant's performance with a set of standard questions for job interview and a scoring table.

Reasons for not using it:

- Relatively small in scale
- In urgent need of staff
- Interviewers lack relevant training.
- It is not a high-rank position/an important position.
- Uses other means of selection
- The corporate culture does not prefer structured interviews

48. **Advantages of using structured interview:**

- In a structured interview, the questions are usually developed from a thorough job analysis.
- The interviewer can assesses each applicant by using a standardized evaluation form and asking the same set of questions.
- Easier for the interviewer to evaluate and compare each applicants
- The same kind of information can be gathered about all interviewees/job applicants, allowing for the systematic collection of information important to the company
- It is less bias

Disadvantages of using structured interview:

The standardized questions will limit the freedom of interviewers to ask other questions

49. **Some companies use a test to determine if a job applicant will be suitable for a job:**

Test of mental abilities: (in-house test)

To measure job applicants' general *intelligence (IQ)*

specific mental abilities (verbal comprehension, memory and numerical ability, aptitude test)

Test of physical abilities:**

To measure job applicant's physical abilities (reaction time, physical strength, body coordination)

used for selecting employees who need to operate machines (e.g. technicians)

or disciplinary forces (e.g. firefighters, policeman)

Test of Personality tests:

It is believed that people with certain personalities are better suited for certain types of jobs.

50. **Six differences between the way that large companies recruit senior managers:**

- For the job posting method, large companies usually advertise job vacancies in the newspaper. This is because they have more resources. Small companies usually use employee referrals as they have limited resources. This also gives them more confidence in the suitability of the applicants.
- A lot of applicants will usually be attracted by the job positions of a large company. Large companies will need commercial employment agencies to help screen the applicants first. Large companies may also turn to international agencies (headhunters) for help. They may advertise the job in newspapers worldwide. They may prefer a senior manager with international experience and exposure.

Small companies prefer internal promotion. This conveys to the staff that they will be rewarded if they perform well. Internal promotion is often used by small companies to retain staff. Small companies may also emphasise the opportunity for internal promotion and career prospects to attract applicants.

- Large companies usually have an HR department and the HR department will go through a series of steps to screen suitable candidates. A combination of selection methods will be used to select the senior manager. (e.g., personality tests, panel interview, reference checks, etc.)

Small companies may not have an HR department. The owner may not bother with a lot of selection methods. Written application forms and interviews are the methods commonly used to select the senior manager.

- Large companies usually have many rules and regulations. They have to go through a series of procedures to recruit staff. The final decision of large companies usually involves several rounds of selections made by various decision makers (e.g., HR manager, general manager, etc.). Small companies may not have so many rules and regulations. Most small companies are managed by the owners themselves. They tend to make all the decisions regarding whom to employ.
- Large companies have human resources planning. This helps identify when their senior manager will retire. They can have time to prepare for the smooth transition. That is why they are able to devote more time to the selection process.

Small companies do not have human resources planning. They tend to be in a hurry to fill their job vacancies. They cannot afford to devote a lot of time to the selection process.

51. **Advantages of using *internal candidates* to fill the vacancy are as follows:**

- ***Improve the morale of existing employees:***
- This delivers a strong message to the existing staff that they will be rewarded (i.e., promoted to a higher position) if they perform well. They can thus foresee opportunities for career advancement. This helps motivate them to improve their performance.
- ***Minimise recruitment costs:*** The company may simply send an email to all staff and post the job advertisement on its intranet without incurring any advertising costs from job postings.
- ***Ensure a smooth transition of the post:*** As an internal staff member is familiar with the operations and culture of the company, he should not encounter any adaptation problems. This helps maintain smooth operations at the company/department amid the change in leadership.

52. **Ways to inform employees internally about its job vacancies:**

- Company intranet or e-mail
- Company notice
- Memo to department heads
- In-house publication

53. **Advantages of using *external candidates* to fill the vacancy are as follows:**

- ***Bring in new insights,*** ideas and skills to the school: The company can gain a new vision for its further strategic development.
- ***Save on training costs:*** As the internal employee might not be well prepared for the post, the company will need to provide training. The hiring of external candidates will save the resources (e.g., money, time) required for internal training.

54. **Disadvantages of using *external candidates* to fill the vacancy of are as follows:**

- ***Affect the morale of existing teaching staff:*** The hiring of an external candidate implies that the school management does not foster internal promotion. This will adversely affect staff morale, as well as teaching quality.
- ***Increase the staff turnover rate:*** As existing employees do not see a chance for promotion, they will leave the company.
- ***Create chaos during the transition:*** The new staff may have difficulty in adapting to the company's operations and culture.

55. **Disadvantages of using *internal candidates* to fill the vacancy are as follows:**

- ***Create unhealthy competition among existing staff:*** At worst, this unhealthy competition may trigger interpersonal conflicts and affect the service quality of the company.
- ***Lack of new insights:*** Hiring an existing employee for the higher position may also prevent the company or the department from bringing in new insights, ideas and skills. This may adversely affect its future development.