

Cambridge AS & A Level · Business 9609 · Notes

Human resource management (HRM) AS

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What you need to know

By the end of this topic you should be able to:

1. **Explain the role of HRM in meeting a business's objectives:** making sure it has the right people, with the right skills, in the right place, at the right time and cost.
2. **Explain why a business has a workforce plan** and what the plan does.
3. **Calculate labour turnover**, and explain what high and low labour turnover mean for a business.
4. **Describe the recruitment process:** job descriptions and person specifications, and the recruitment methods: job advertisements, employment agencies and online recruitment.
5. **Compare internal and external recruitment.**
6. **Explain the selection methods:** curriculum vitae (CV), résumé, application forms, interviews, references, testing and assessment centres.
7. **Explain what an employment contract is** and what it contains.
8. **Tell redundancy from dismissal:** voluntary and involuntary redundancy, and fair and unfair dismissal.
9. **Explain how HRM affects employee morale and welfare**, including work-life balance.
10. **Explain the impact of diversity and equality in the workplace** on a business.
11. **Compare the types of training** (induction, on-the-job, off-the-job) and explain the impact of training and development on a business.
12. **Explain how employee development can encourage intrapreneurship, multi-skilling and flexibility.**
13. **Explain how cooperation between managers and the workforce benefits both**, and the impact of **trade unions** on employers and employees, including **collective bargaining**.

Motivation theories (Maslow, Herzberg, McClelland) and payment methods are in the next topic, motivation; leadership and management roles are in management.

Understand it

What HRM does

Human resource management (HRM) is managing a business's people: planning how many it needs, recruiting and selecting them, training and developing them, looking after their morale and welfare, working with them and their trade unions, and, when necessary, making them redundant or dismissing them.

Its job is to help the business meet its **objectives**. Every objective needs people (see business objectives):

- **Growth** (a new branch, a new market) needs extra staff, recruited and trained in time.
- **Cutting costs** may mean fewer staff (redundancy), or the same staff working more efficiently (training, multi-skilling).
- **Quality or customer service** needs skilled, motivated staff who stay (training, morale, low labour turnover).
- **Innovation** needs people who come up with and try ideas (employee development, intrapreneurship).

A business that gets HRM wrong has too many or too few staff, the wrong skills, unhappy employees who leave, and disputes with its workforce. All of these raise costs or lower output, so it misses its objectives.

Workforce planning

A **workforce plan** sets out how many employees a business will need in the future, with which skills, and how it will get them. It is built in four steps:

1. **Audit the current workforce**: how many people, their skills, ages, and who is likely to leave or retire.
2. **Forecast future needs**: from sales forecasts, expansion plans, new technology, new laws, and expected labour turnover.
3. **Find the gap** between the workforce the business will have and the one it will need (too few cooks, too many clerks, no one who can run the new software).
4. **Plan the action** to close the gap: recruit, train or retrain, redeploy staff to other jobs, offer flexible or temporary contracts, or make redundancies.

Why a business has one: it avoids **shortages** (lost sales, overworked staff) and **surpluses** (wasted wage costs); it gives time to recruit and train before staff are needed; it budgets labour costs; and it links HR decisions to the business's objectives. Its limits: forecasts can be wrong in a fast-changing market, and it takes time and money to produce.

Examiners report that many students confuse workforce planning with motivation. It is about **numbers and skills of employees**, now and in the future.

Labour turnover

Labour turnover measures how many employees leave a business in a period, as a percentage of its average number of employees:

$$\text{Labour turnover} = \frac{\text{number of employees leaving in the period}}{\text{average number of employees in the period}} \times 100$$

A shop with on average 80 employees in a year, 12 of whom left, has a labour turnover of $\frac{12}{80} \times 100 = 15\%$.

High labour turnover usually signals a problem: low pay, poor morale, bad managers, poor recruitment (the wrong people were hired), or better jobs nearby.

High labour turnover: effects

High **recruitment, selection and training costs** for every replacement

Lost output and mistakes while new staff learn; poorer customer service

Remaining staff are overworked and their morale falls

Some benefit: new people bring **new ideas**; a business that must cut staff can do it without redundancies

Low labour turnover: effects

Low recruitment and training costs; HR can spend time on current staff

Experienced, skilled staff who know the business, its customers and its objectives

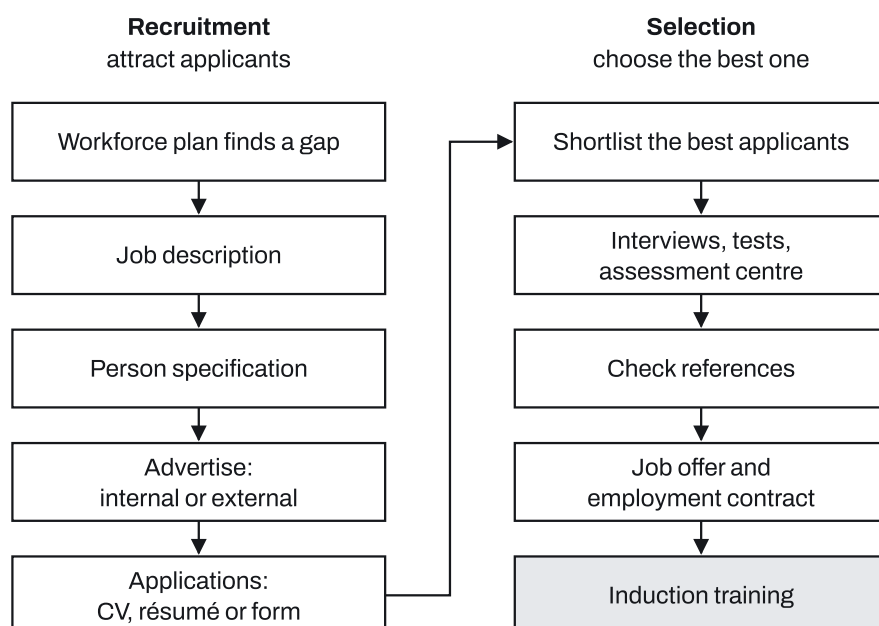
Stable teams, loyalty, a good reputation as an employer

Some drawbacks: few **new ideas**; wage costs rise as long-serving staff move up pay scales; poor performers may stay

Whether a rate is "high" depends on the industry (fast food and call centres normally have high turnover; hospitals and banks lower), on the business's past rates, and on whether the leavers are the people it wanted to keep.

Recruitment: attracting the right applicants

Recruitment is attracting suitable people to apply for a vacancy. **Selection** is choosing the best of those who apply. Examiners report that many students give a selection method (an interview) when asked for a recruitment method (a job advertisement): keep them apart.



- A **job description** describes the **job**: its title, main duties and responsibilities, who the post-holder reports to and who reports to them, where it is done, and often the hours and pay. It tells applicants what they would do, and is later used to set targets and appraise the worker.
- A **person specification** describes the **ideal person** for the job: the qualifications, skills, experience and personal qualities needed, often split into "essential" and "desirable". The business uses it to write the advert and to **shortlist**, by comparing every applicant with the same list.

Recruitment methods:

- **Job advertisements**: in newspapers, trade magazines, on notice boards, in shop windows. Wide reach locally or in a trade; can be costly and attract many unsuitable applicants.
- **Employment agencies**: a specialist business finds and screens applicants for a fee. Saves the business's time and reaches people it could not, but costs money (often a percentage of the first year's salary), and the agency may not understand the business well.
- **Online recruitment**: the business's own website, job sites and social media. Cheap, fast to post and update, reaches a very large (even global) audience and young applicants; applicants can share the advert and apply instantly. But it can bring huge numbers of applications to sort, some people do not search online, and the business competes with many other adverts.

Internal and external recruitment

Internal recruitment fills a vacancy with someone **already employed** by the business (a promotion or transfer). **External recruitment** fills it with someone **from outside**.

	Internal	External
Cost and time	Cheaper and quicker: little advertising, little induction	Advertising, agency fees and full induction cost more and take longer
Knowledge of the person	The business knows their work record; they know the business and its culture	Known only from the selection process; a bad choice is more likely
Motivation	Shows staff they can be promoted, so morale rises	Internal candidates who were passed over may be demotivated
Ideas and skills	No new ideas; the skills needed may not exist inside	Fresh ideas and experience from other businesses; a much wider pool of applicants
Knock-on effect	Leaves another vacancy to fill	No second vacancy

Selection: choosing the best applicant

- **Curriculum vitae (CV)**: the applicant's own full record of education, qualifications, work history and skills.
- **Résumé**: a short summary (one or two pages) of the applicant's skills, experience and achievements, chosen to suit the job. In some countries "CV" and "résumé" mean the same document; in the exam, a CV is longer and complete, a résumé brief and targeted.

- **Application form:** the business's own form, so every applicant gives the **same information** in the same order. Easy to compare and shortlist; but it may not let strong applicants show what makes them stand out.
- **Interviews:** questions face to face or online, by one manager or a panel. Shows communication, attitude and understanding of the business; but it is short, interviewers can be biased, and some people perform well at interview but not in the job.
- **References:** statements from a previous employer or teacher that **confirm** what the applicant claims and comment on their reliability. Cheap; but referees may be too kind, or the applicant chooses them.
- **Testing: skills tests** (typing, driving, coding, a sample of work), **aptitude tests** (ability to learn the job) and **psychometric tests** (personality). Gives evidence of what the person can actually do; costs money and may not predict real performance.
- **Assessment centres:** a group of shortlisted applicants spends a day or more doing tasks: group exercises, role plays, presentations, in-tray exercises, as well as interviews and tests. The most thorough method, used for managers and graduate trainees; also the most expensive and time-consuming.

A selection method is about **the applicant**; shortlisting or screening is a step in the process, not a selection method.

Employment contracts

An **employment contract** (contract of employment) is a **legal agreement** between employer and employee setting out the terms of the job. It usually states: job title and duties, start date, place of work, hours, pay and how it is paid, holidays and sick pay, the notice period, and the disciplinary and grievance procedures.

It protects **both sides**: the employee knows their rights (pay, hours, notice) and has security; the employer can require the agreed work and act if the contract is broken. Contracts can be **full-time or part-time, permanent or temporary (fixed-term)**, and some are **flexible** (hours vary with the business's needs).

Redundancy and dismissal

Both end a person's employment, for different reasons.

- **Redundancy:** the **job** is no longer needed, through no fault of the worker. Causes: falling demand, new technology, closing or moving a site, restructuring. The employee usually gets **redundancy pay**.
 - **Voluntary redundancy:** employees **choose** to leave, usually for a payment (often older staff who take early retirement).
 - **Involuntary (compulsory) redundancy:** the **employer chooses** which employees lose their jobs, and they **have no choice**.
- **Dismissal:** the employer ends the contract because of the **employee**: their conduct or ability.
 - **Fair dismissal:** for a valid reason, such as serious **misconduct** (theft, violence), continued **incompetence** after warnings and training, or being unable to do the job legally (a driver who loses their licence), following a fair procedure (warnings, a hearing).
 - **Unfair dismissal:** without a valid reason, without a fair procedure, or for a reason the law forbids, such as discrimination (gender, race, religion, age, disability), pregnancy, or joining a trade union. The employee can take the employer to an employment tribunal or court, which can order compensation.

The exact rules differ between countries; the exam needs the principles.

Morale and welfare

- **Morale** is how positive, confident and satisfied employees feel about their work and the business.
- **Welfare** is the business's care for its employees' wellbeing: health and safety, a pleasant working environment, rest areas and canteens, health checks, counselling and support when they have problems.
- **Work-life balance** is how well employees can divide their time and energy between work and their personal life. A business improves it with **flexible hours**, **working from home**, part-time or job-share contracts, limits on overtime, and leave for family needs.

HRM shapes all three. Good welfare and work-life balance raise morale, so **absence and labour turnover fall** (lower recruitment costs), **productivity and quality rise**, customer service improves and the business becomes an attractive employer. Poor welfare or long hours bring stress, mistakes, absence, accidents and resignations.

The costs: facilities, flexible rotas and extra staff to cover cost money; some jobs cannot be done flexibly (a nurse on a ward, cabin crew on a flight); and if pay or job security is the real problem, welfare alone will not fix morale.

Diversity and equality

- **Diversity** means a workforce with a wide mix of people: of different genders, ages, ethnic and cultural backgrounds, abilities and experiences.
- **Equality** means treating every employee and applicant **fairly**, giving them the same opportunities in recruitment, pay, training and promotion, without discrimination.

Impact on a business:

- **Wider pool of applicants**, so it is more likely to find the skills it needs and fill shortages.
- **More ideas and better decisions**, because people with different experiences see problems differently.
- **Better understanding of customers**, especially in diverse or international markets, so better products and service.
- **Reputation**: attracts applicants and customers, and avoids bad publicity (an industry criticised in the media for not being diverse loses both).
- **Motivation and lower turnover**: staff who are treated fairly are more likely to stay.
- **Legal**: avoids discrimination cases and fines.

Against: policies, training and changes to recruitment cost money and time; changing a long-established workforce takes years; teams may need time and good management to work well together.

Training and development

Training gives employees the skills and knowledge for their **current** job. **Development** is longer-term growth of their skills and careers, preparing them for future roles.

- **Induction training** is for **new employees**: an introduction to the business, its rules and procedures, health and safety, the layout, their colleagues and their role. They settle in faster, become productive sooner, make fewer mistakes and are less likely to leave in the first weeks.
- **On-the-job training** takes place **at the workplace, while doing the job**, usually by watching and being coached by an experienced colleague. Cheap, directly relevant, and the trainee produces something while learning; but the trainer works more slowly, and bad habits can be passed on.
- **Off-the-job training** takes place **away from the immediate job**: a college, a training centre, an external course or online. Expert trainers and wider skills and qualifications, with no disruption to the workplace; but it costs fees and lost working time, may not fit the job exactly, and qualified staff may be **poached** by rivals.

The **impact of training and development** on a business: higher productivity and quality, fewer mistakes and accidents, better customer service, more motivated staff (they feel valued) and lower labour turnover, staff ready for promotion, and flexibility when things change. Against: the cost, time away from work, and the risk that trained staff leave.

Employee development to encourage intrapreneurship. An **intrapreneur** is an employee who thinks and acts like an entrepreneur **inside** the business: spotting opportunities and developing new products, processes or projects. A business encourages this by giving staff time and freedom to work on ideas, small budgets to test them, schemes for suggesting ideas, training in creativity and project management, rewards and recognition for ideas that work, and accepting that some ideas fail. The result is innovation without the business having to buy ideas in, and motivated staff who stay instead of leaving to start their own businesses.

Employee development to encourage multi-skilling and flexibility. **Multi-skilling** means training employees to do several different tasks or jobs. Ways to develop it: **job rotation** (moving staff between tasks), **job enlargement** (adding more tasks to a job), cross-training programmes, and rewarding staff who learn new skills. The benefit is **flexibility**: staff can cover for absent colleagues, move to where demand is highest and adapt to new technology, so fewer staff are needed and work is more varied. The costs: training time and money, and staff who expect higher pay for more skills.

Management and workforce relations

Cooperation benefits both sides:

- **Management** gets fewer disputes and strikes, easier introduction of change (new technology, new rotas), ideas from the people who do the work, and higher productivity.
- **The workforce** gets job security, a voice in decisions, better conditions and more satisfying work.

Ways to build it: regular communication and consultation, employee representatives or works councils, team briefings, and sharing the gains (profit sharing).

A **trade union** is an organisation of workers that acts together to protect and improve its members' pay, conditions and job security. Its main tool is **collective bargaining**: the union negotiates with the employer **for all its members at once**, instead of each worker bargaining alone. If talks fail, it may take **industrial action**: a strike, a work-to-rule (doing only the minimum the contract requires) or an overtime ban.

	Benefits	Drawbacks
Employees	More bargaining power, so higher pay and better conditions; support if threatened with dismissal or redundancy; safer workplaces; a voice	Membership fees; lost pay during strikes; possible conflict with managers
Employers	One negotiation instead of hundreds; a clear channel for communication and consultation; the union can help staff accept change	Higher wage costs; industrial action stops output and harms customer relations; decisions take longer

How much impact a union has depends on how many workers are members, how hard they are to replace, and whether the relationship is cooperative or confrontational.

Key facts and formulas

There is no formula list for this subject in the exam. "Learn it" means you must remember it.

Formula or fact	Status
Labour turnover = $\frac{\text{number of employees leaving in the period}}{\text{average number of employees in the period}} \times 100$	Learn it
Recruitment attracts applicants (adverts, agencies, online); selection chooses one (CV, résumé, form, interview, references, tests, assessment centre)	Learn it
Job description = the job; person specification = the ideal person	Learn it
Redundancy = the job is no longer needed (voluntary or involuntary); dismissal = ended because of the employee (fair or unfair)	Learn it
Induction = new staff; on-the-job = at work, while working; off-the-job = away from the job	Learn it
Collective bargaining: a union negotiates for all its members at once	Learn it

How to do it

We have tagged 59 questions on this topic (2021–2025), mostly on Papers 1 and 2, with one on Paper 3. 26 of them have parts of more than one type, so the counts add up to 87.

Question type	Questions
Explain one benefit, impact, reason or purpose (2–3 marks)	22
Define an HRM term	20
Evaluate or discuss an HRM issue in context (11–20 marks)	13
Analyse recruitment and selection methods or their benefits (8 marks)	8
Analyse one point in depth (5 marks, Paper 1)	6
Analyse impacts of morale, welfare, diversity/equality, work-life balance or labour turnover (8 marks)	6
Calculate labour turnover	5
Analyse benefits of a type of training (8 marks)	5
Choose a job candidate from data and justify	2

The marks are for four skills: **K** (knowledge: a correct point or definition), **App** (application: using the business in the question, or developing the point), **An** (analysis: a chain of consequences) and **Eval** (evaluation: a supported judgement). Below, (K), (App), (An) and (Eval) after a sentence show the mark it earns.

1. Explain one benefit, impact, reason or purpose (2–3 marks) (22 questions)

Paper 1 "Explain one ..." [3]: 1 mark for a correct point (K), 2 for developing it (one step for a limited explanation, two for a developed one).

1. **Name the point** in a few words: "induction training makes new staff productive sooner" (K).
2. **Say how:** "because they learn the procedures and safety rules in their first days instead of by trial and error" (App).
3. **Say what follows for whoever the question names:** "so they make fewer costly mistakes and need less supervision" (App).

Read **who** the question is about. "To a business" needs the business's gain (cost, output, profit), not the employee's: examiners report many answers on induction that described the employee getting to know colleagues and never said why that helps the business. "To an employee" (an employment contract, trade union membership) needs the employee's gain.

Topics asked: an advantage of induction or other training; a type of training; employee development for multi-skilling (job rotation, job enlargement, cross-training, rewards for new skills); an implication of low or high labour turnover; a reason for or role of a workforce plan; a benefit of internal recruitment; an advantage of a person specification; purposes of a job description; a benefit to an employee of an employment contract; a benefit of a diverse workforce; the impact of trade union membership; the difference between redundancy and dismissal.

Paper 2 "Explain one ..." [3] ((b)(ii)): 1 K + 1 explanation + 1 **context from the case:** name the case's facts (its 100% union membership in one division, its 25% labour turnover, its 120 drivers).

Variations you will meet:

- **2021–22 papers ask for "two" purposes or advantages for 3 marks:** two points, each with a reason.
- **"Explain the difference between redundancy and dismissal" [3]:** say what each is (the job is no longer needed; ended because of the employee's conduct or ability), and give the contrast, with an example of each.
- **"Explain one recruitment method [the case business] could use" [2]:** a recruitment method (an advert, an agency, online), not a selection method, with a reason it suits the case.

2. Define an HRM term (20 questions)

Paper 1 "Define the term ..." [2]: full marks for a precise definition with **two elements**; one element alone earns 1.

Term	Two elements
Labour turnover	Employees leaving a business in a period (1) as a percentage of the average number employed (1)
Workforce planning	Analysing the current workforce and forecasting the number and skills of employees needed in future (1), and how to fill the gap to meet the business's objectives (1)
Job description	A document describing a job : its title, duties and responsibilities (1), and who the post-holder reports to (1)
Person specification	A document setting out the qualifications, skills, experience and qualities (1) of the ideal person for a job (1)
Curriculum vitae	A document written by the applicant (1) giving a full record of their education, qualifications, work history and skills (1)
Résumé	A short summary written by an applicant (1) of the skills and experience relevant to the job applied for (1)
Contract of employment	A legal agreement between employer and employee (1) setting out the terms and conditions of the job (pay, hours, duties, notice) (1)
Employment agency	A business that finds and screens applicants for other businesses' vacancies (1) in return for a fee (1)
Induction training	Training for new employees (1) introducing them to the business, its procedures, safety rules and their role (1)
On-the-job training	Training given at the place of work (1), while the employee is doing the job (1)
Involuntary redundancy	The employer ends an employee's job because the role is no longer needed (1), and the employee, selected by the employer , has no choice (1)
Dismissal	The employer ends the contract of employment (1) because of the employee's conduct or ability , such as misconduct or incompetence (1)

Term	Two elements
Equality	Treating all employees fairly (1), with the same opportunities in pay, training and promotion, without discrimination (1)
Intrapreneur	An employee (1) who thinks and acts like an entrepreneur inside the business , developing new products, processes or projects (1)

Salary and commission are payment methods (motivation): a salary is a fixed yearly amount paid monthly; commission is a payment linked to the value of sales made.

Paper 2 "Explain the term ..." [3] ((a)(ii)): the definition (1 K) plus **two** pieces of application to the case (what it means for this business).

Examiners report that weak definitions of redundancy mix it up with dismissal, or define it loosely (a machine no longer needed). In this syllabus redundancy is always about a **job role** that is no longer needed.

3. Evaluate or discuss an HRM issue in context (11–20 marks) (13 questions)

Paper 2 (d) [12] ("Evaluate the importance to X of workforce planning") and **Paper 1 Section B (b) [12]** ("Improving morale and welfare is the most important role of HRM in an airline business.' Evaluate this view"): 2 K, 2 App, 2 An, 6 Eval.

- K**: define the key term (workforce planning, morale and welfare, diversity, work-life balance) and, for "most important role", list the other roles of HRM (workforce planning, recruitment, training, motivation, redundancy and dismissal, employee relations).
- App**: the case's facts or the industry's features: for an airline, flights at unsocial hours, long periods away from home, difficult passengers, safety-critical work, seasonal demand; for a hospital, shifts, stress, highly trained staff; for a case, its divisions, its numbers, its plans.
- An**: one or two chains: better welfare → higher morale → lower labour turnover → lower recruitment and training costs, better service → repeat customers → profit. Workforce planning → the right number of skilled staff when the new shops open → good service, no wasted wages.
- Eval** (half the marks): weigh **the other side** (the cost; other HRM roles that matter as much, such as recruiting and training pilots for safety), then give a **judgement in context** and what it **depends on**: the type of employee (pilots against cabin crew), how bad things are now (current turnover, current morale), the business's objectives and how fast its market changes, the cost compared with the gain.

Issues set so far: the importance of workforce planning; the impact on HRM of a new competitor; the impact of diversity and equality; morale, welfare or work-life balance as the most important HRM role (airline, bus company, hospital); whether to use the same pay and employee development in two factories; ethics in HRM; HRM as the most important function in a hospital; the benefits of fitness sessions for staff.

Variations you will meet:

- 2021–22 papers**: 11-mark Paper 2 parts and a 20-mark Paper 1 "Discuss" essay. The same plan, with more analysis for the 20-mark essay. A few old questions (intellectual capital, Mintzberg's roles) were from the previous syllabus.

4. Analyse recruitment and selection methods or their benefits (8 marks) (8 questions)

"Analyse two selection methods X could use to choose a new Marketing Manager", "Analyse two benefits of online recruitment / of external recruitment", "Analyse one advantage and one disadvantage of an assessment centre". 2 K (one per point), 2 App (one per point, from the case), 4 An (a developed chain of two or more links for each point).

1. **K**: name a correct method or benefit. For selection: CV, résumé, application form, interview, references, testing, assessment centre (not "shortlisting").
2. **App**: tie it to the **job and the business**: a marketing manager must show experience of online campaigns, so ask for a sample campaign or a presentation; a social enterprise wants someone who shares its aims, so test that at interview.
3. **An**: what follows: "a presentation shows whether the applicant can plan a campaign (An), so NS appoints someone who can grow brand awareness without long training (An), which keeps its market leadership and revenue (An)."

For external recruitment: wider pool and fresh ideas → better appointments → innovation and sales; against it: cost and time, longer induction, unknown person. For online recruitment: cheap, fast, global, updated in real time, shared by applicants → more and better applicants at lower cost → vacancy filled sooner.

5. Analyse one point in depth (5 marks, Paper 1) (6 questions)

"Analyse one benefit to a business of low labour turnover", "Analyse one impact on employees of trade union involvement", "Analyse one way employee development could encourage intrapreneurship": 1 K, 2 App (explanation), 2 An. No marks at all without a relevant point, so state it first.

1. **K**: one point: "low labour turnover keeps skilled, experienced employees" (K).
2. **App**: develop it: "staff who have been there for years know the products, customers and procedures (App), and less time and money goes on recruiting and training replacements (App)".
3. **An**: the chain: "so output is steady and mistakes are few, which keeps quality high and customers loyal (An); the money saved on recruitment can be spent elsewhere, raising profit (An)".

For trade unions, answer about **employees** when asked about employees (higher pay through collective bargaining, job security, safer conditions, a voice; fees, lost pay in strikes): examiners report answers that wrote about the business instead.

2021 versions are open "explain why" questions (why effective HRM matters, why invest in training, the benefits of workforce planning): the same plan, with one or two points.

6. Analyse impacts of morale, welfare, diversity/equality, work-life balance or labour turnover (6 questions)

"Analyse two advantages to X of improving diversity and equality", "Analyse two benefits of low labour turnover", "Analyse two impacts of poor work-life balance", "Analyse two disadvantages of falling morale and welfare". 2 K, 2 App, 4 An.

1. **K**: two separate points (a wider pool of drivers, a better reputation).
2. **App**: one case fact for each (120 drivers who are mostly men aged 40–60; a newspaper criticising the industry).
3. **An**: each point carried to the **business**: more applicants → driver shortages filled without raising pay → lower labour costs → profit; better reputation → wins contracts with businesses that care about equality → revenue.

Examiners report that "it leads to a demotivated workforce" is not an effect on the business: go on to productivity, output, costs, sales or profit.

7. Calculate labour turnover (5 questions)

Paper 2 (b)(i), 3 marks.

1. **Write the formula**: $\frac{\text{leavers}}{\text{average employees}} \times 100$ (1).
2. **Substitute** the case's numbers (1).
3. **Give the answer as a percentage** (1). The % sign is not required, but 0.2 instead of 20% loses a mark.

Variations you will meet:

- **Two divisions, "the labour turnover for the business"**: add the leavers of both and add the employees of both, then divide. Working out each division separately earns at most 2.
- **"Calculate the difference between the two divisions' rates"**: find both rates, then subtract, in percentage points. Examiners report answers that found both rates and stopped.
- **The next part** usually asks for one impact of the high or low rate: use your answer as context, and don't define labour turnover again.

8. Analyse benefits of a type of training (8 marks) (5 questions)

"Analyse two benefits to X of training its employees" (or of on-the-job, off-the-job or induction training). 2 K, 2 App, 4 An.

1. **K**: two benefits: better quality and consistency, higher productivity, more motivated staff, new skills, fewer accidents, lower labour turnover.
2. **App**: the case: a labour-intensive coffee chain whose staff must be friendly and knowledgeable; new supervisors who have never managed; a factory introducing new machines.
3. **An**: e.g. trained baristas serve faster and more consistently (An) → more customers served at peak times and more return visits (An) → higher revenue in a competitive market. Trained staff feel valued → stay longer → lower recruitment costs.

Make each benefit about **that type** of training, and don't spend time defining it: examiners report long introductions that earned nothing.

9. Choose a job candidate from data and justify (2 questions)

Old-syllabus case questions (11 marks on Paper 2, 16 on Paper 3) give data on several candidates (experience, qualifications, test and interview scores, salary expected) and ask whether a choice was right.

1. **Start from the job:** what the job description and person specification need most.
2. **Compare the candidates** on those needs, using the numbers (who scored highest on the test that matters most; who is internal and knows the business; who costs more).
3. **Weigh the trade-offs:** experience against cost, internal knowledge against fresh ideas.
4. **Judge:** right or wrong, why, and what it depends on (how well the selection methods predict performance, the training the business can give).

Worked examples

Example 1

(a) Define the term off-the-job training. [2]

(b) Explain one disadvantage to a business of using off-the-job training. [3]

(a) Training that takes place away from the employee's immediate workplace, such as at a college or training centre (1), so the employee is not doing their normal job while learning (1).

(b) Off-the-job training costs the business more than training at work (K). It pays course fees, and also the wages of the employee while they produce nothing (App), so its costs rise and, in a small business, others must cover the work, which may slow production (App).

Example 2

Lakeside Hotels (LH) runs four hotels. Table 1 shows human resource data for its two divisions in 2025.

	Kitchens	Front of house
Average number of employees	60	90
Employees who left in 2025	15	9

(a) Refer to Table 1. Calculate LH's labour turnover in 2025. [3]

(b) Explain one impact on LH of the labour turnover in its kitchens. [3]

(a) Labour turnover = $\frac{\text{employees leaving}}{\text{average number of employees}} \times 100$ (1)

$$= \frac{15 + 9}{60 + 90} \times 100 = \frac{24}{150} \times 100 \text{ (1)} = 16\% \text{ (1)}$$

(The kitchens alone are $\frac{15}{60} \times 100 = 25\%$ and front of house $\frac{9}{90} \times 100 = 10\%$. Giving these instead of the hotel's rate would earn at most 2.)

(b) High labour turnover raises recruitment and training costs (K). A quarter of LH's kitchen staff left in 2025, 25% compared with 10% front of house (App), so LH must keep advertising for and training new cooks, and inexperienced cooks make slower, less consistent meals, which may bring complaints from hotel guests (App).

Example 3

Lakeside Hotels' Head Chef is retiring. LH's HR manager must decide whether to fill the post internally or externally. LH's kitchen labour turnover is 25%, and two of its senior cooks have worked for LH for over eight years.

Analyse two benefits to LH of recruiting the new Head Chef internally. [8]

Lower cost and quicker. Internal recruitment saves advertising and agency costs (K). One of LH's two senior cooks with over eight years at LH could be promoted (App), so the post is filled quickly without a long induction (An), the kitchens keep running smoothly through the change, and LH avoids paying an agency a share of a head chef's salary (An).

Motivation and retention. Promoting from within shows staff they can progress (K). With kitchen labour turnover at 25% (App), a clear path to Head Chef gives cooks a reason to stay (An), so turnover and the cost of replacing cooks fall, and an experienced, stable team serves better meals, which protects the hotels' reputation (An).

Each benefit earns K + App + a developed chain of two links, so $2K + 2App + 4An = 8$.

Example 4

QuickCall (QC) runs a call centre that answers customer enquiries for banks. It has on average 400 employees, mostly working fixed 8-hour shifts, and 120 of them left last year. Replacing each leaver costs QC 2,500 dollars in advertising, selection and training. The HR manager proposes flexible working (staff choose their shift times, and some may work from home), which would cost 90,000 dollars a year in new software and supervision. She forecasts that labour turnover would fall to 18%.

Evaluate whether QC should introduce flexible working to improve its employees' work-life balance. [12]

Knowledge. Work-life balance is how well employees can divide their time between work and their personal lives (K). Flexible working lets them choose when, and sometimes where, they work, which is one way HRM improves morale and welfare (K).

The case for. QC's labour turnover is $\frac{120}{400} \times 100 = 30\%$ (App), and replacing 120 leavers costs $120 \times 2,500 = 300,000$ dollars a year (App). If flexible working lets staff fit work around childcare or study, fewer will resign (An), so new staff are needed less often and more calls are handled by experienced staff, who solve

problems faster, keeping QC's bank clients satisfied (An). At 18%, $0.18 \times 400 = 72$ staff would leave, 48 fewer than now, saving $48 \times 2,500 = 120,000$ dollars a year, which is 30,000 dollars more than the scheme's 90,000-dollar cost.

The case against. The saving rests on a forecast: if turnover only falls to, say, 25%, the saving is $20 \times 2,500 = 50,000$ dollars, less than the cost (Eval). A call centre must have enough staff at its busiest times, so flexible shifts may leave gaps that need overtime, and banks may not want customer data handled from employees' homes (Eval).

Judgement. QC should introduce flexible working, but as a trial (Eval). A 30% turnover rate costs it 300,000 dollars a year and damages service to the banks that are its customers, so doing nothing is the riskiest choice (Eval). Whether it works depends on **why** staff are leaving: if exit interviews show the main reason is fixed shifts, flexible working is the right fix; if it is low pay, QC would do better to spend the 90,000 dollars on wages (Eval). A six-month trial in one team, measuring turnover and call response times, would show whether the forecast 18% is realistic before QC rolls it out to all 400 staff (Eval).

The marks: 2 K, 2 App, 2 An, and 6 Eval for a judgement in QC's context that weighs the costs, questions the forecast and says what the decision depends on.

Common mistakes

- **A selection method when asked for a recruitment method** (or the other way round). Examiners report this often. Recruitment attracts applicants (adverts, agencies, online); selection chooses between them (interviews, tests, references).
- **Workforce planning treated as motivation.** It is about the number and skills of employees needed now and in future, and how to get them.
- **Redundancy confused with dismissal.** Redundancy: the job is no longer needed. Dismissal: the employer ends the contract because of the employee's conduct or ability.
- **Benefits to the wrong person.** "An advantage to a business of induction training" needs the business's gain (productivity, fewer mistakes, lower turnover), not "the new employee makes friends". "An impact on employees of trade unions" needs the employees' gain or loss, not the business's.
- **Labour turnover the wrong way up**, or for each division when the business's rate was asked for. Leavers go on top; add both divisions' leavers and employees first. Show the formula and working: a wrong answer without working earns nothing.
- **Stopping at "demotivated staff".** Carry every chain to an effect on the business: output, quality, costs, sales, profit.
- **Defining the term again in the 8-mark answer.** Examiners report long introductions on induction training that earned no marks. Get straight to the benefits.
- **Writing about training in general** when the question names a type (induction, off-the-job). Make each point true of that type.
- **No judgement** in an evaluate question. Strong work-life balance answers still lost marks for analysing without ever weighing costs or deciding.

How to get the marks

- **Command words.** *Define*: the precise meaning with both elements. *Explain*: a point, then why or how. *Analyse*: points carried through chains of cause and effect, no judgement needed. *Evaluate* or *Discuss*: both sides, then a supported judgement.
- **[2] define**: two elements (labour turnover = leavers + as a percentage of average employees). A vague or one-element answer earns 1.
- **[3] explain one** (Paper 1): one point + two steps of development, about the person or business the question names. Paper 2: the point, an explanation and a fact from the case.
- **[3] calculate**: formula, working, percentage. Keep working visible; the method marks survive a slip.
- **[5] analyse one**: one point (no point, no marks), developed twice and analysed in a two-link chain.
- **[8] analyse two**: exactly two points, each with one case fact and a chain of two or more links to an effect on the business. Extra points earn nothing.
- **[12] evaluate**: 2 K, 2 App, 2 An, 6 Eval. The top band needs a judgement **in context**: for this business or industry, what it depends on (the type of employee, current turnover or morale, cost against gain, how fast the market changes). Answering "it depends" without saying on what stays in the lower bands.
- **Use the case's numbers**: a labour turnover rate, the number of union members, the cost of replacing staff. A calculation you have already done is strong evidence in the later parts.

Quick check

1. Define the term voluntary redundancy. **[2]**
2. A shop had on average 48 employees last year and 6 of them left. Calculate its labour turnover.
3. Sort these into recruitment methods and selection methods: job advertisement, interview, employment agency, aptitude test, references, online job site.
4. Give two reasons for a fair dismissal and two reasons that would make a dismissal unfair.
5. Explain one benefit to employees of cooperation between management and the workforce. **[3]**

Answers

1. Employees choose to leave the business when their jobs are no longer needed (1), usually in return for a payment from the employer (1).
2. $\frac{6}{48} \times 100 = 12.5\%$.
3. Recruitment: job advertisement, employment agency, online job site. Selection: interview, aptitude test, references.
4. Fair: serious misconduct such as theft; continued incompetence after warnings and training; being unable to do the job legally (a driver who loses their licence). Unfair: discrimination (for example by gender, race or age); pregnancy; joining a trade union; no fair procedure.
5. Employees gain a voice in decisions (K). When managers consult staff before changing rotas or bringing in new machines, employees can suggest how to do it (development), so the change suits them better and their jobs feel more secure and satisfying (development).

Past questions to try

- **9609/12/O/N/25 Q2:** defining on-the-job training, and an advantage of induction training.
- **9609/22/F/M/24 Q2:** part (b), the difference between two factories' labour turnover, then an advantage of low turnover.
- **9609/12/O/N/24 Q4:** employee development to encourage intrapreneurship.
- **9609/12/M/J/24 Q6:** benefits of low labour turnover, then work-life balance in a bus company.