

LEVEL 7 ASSESSMENT SPECIFICATION

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Programme:	MBA		
Module:	Human Resource Management		
Module code:	HKBM7007	Contribution to Overall Module Assessment (%):	50%
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Assignment Title:	Addressing Human Resource Challenges at Xunfei Healthcare Technology Co., Ltd. in Establishing an International Headquarters in Hong Kong	Word count (or equivalent):	2343
Submission deadline:	6 January 2025	Return date of provisional marks & written feedback:	6 February 2025 (Tentative)
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark:. Work which is submitted up to 1 week late will be capped at 50% for the first attempt and will be awarded a mark of 0% for re-assessment. Late submission penalties may be lifted only if there is an approved extenuating circumstances claim. Work submitted more than 1 week late will be considered as a non-submission and will not be marked. The work may be considered as a submission for reassessment if offered by an Examining Board or if there is an approved extenuating circumstances claim.		
Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

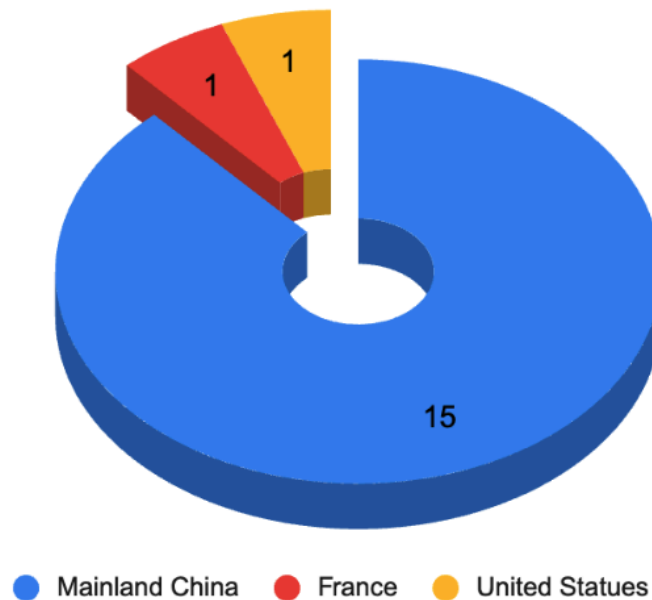
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1. Introduction

The Office for Attracting Strategic Enterprises (OASES) signed agreements with multiple multinational companies to serve as strategic enterprise partners of HKSAR, (refer to Table 1.0) which will establish a new headquarters or news office in Hong Kong (GovHK, 2024).

Country Original of OASES Partnership Signing in 2024



Contributed by the writer

This article focuses on the Employee Relationship challenges, which will be faced by Xunfei Healthcare Technology Co., Ltd (Xunfei); exploring the policy and strategic plan of human resources can address these factors effectively. Furthermore, this essay studies the interconnection of these challenges as a Chinese company expands into Hong Kong Special Administrative Region (HKSAR).

2. Background of Xunfei Healthcare Technology Co., Ltd (Xunfei)

Xunfei, a well-known artificial intelligence (AI) healthcare entity, a subsidiary company of iFLYTEK, was established in 2016, and located in Hefei, China. Presently, Xunfei extends support and services to over 100 districts and countries (Xunfei Healthcare, 2024).

Leveraging technologies like speech recognition, image recognition, and natural language understanding (NLU), Xunfei offers a spectrum of medical solutions, these include assessing treatment effectiveness after discharge, managing chronic diseases, and encompassing health risk alerts, early screening, and supplementary diagnosis and treatment services (Xunfei Healthcare, 2024).

Xunfei is committed to integrating its products and services of the medical industry, to boost the implementation of the national medical reform policy. By 2023, Xunfei has been recognized as a pivotal laboratory for medical AI research and application within Anhui Province, China (Xunfei Healthcare, 2024).

In 2024, Xunfei pursued an initial public offering (IPO) in Hong Kong Stock Exchange, with the schedule of effective date for settlement on 30th December 2024, with stock code 2506 (HKEX, 2024); involving a total value of HKD 6.4 billion and 7 millions shares (etnet, 2024).

Regarding the agreement with OASES, Xunfei is set to establish its international headquarters in Cyberport, Hong Kong (Le, 2024). Additionally, the company has devised comprehensive 5 years, amounting to HKD 400 millions (Liu, 2024).

To comply with the legal compliance in Hong Kong, Xunfei registered a business entity on 28th August, 2024; the company name is Xunfei Healthcare Technology (Hong Kong) Limited, abbreviated as Xunfei HK for the purposes of this essay (Companies Registry The Government of the Hong Kong Special Administrative Region, 2024).

3. Identify the Potential Issue of Xunfei Healthcare Technology (Hong Kong) Limited (Xunfei HK) of Employee Recruitment

This section will examine the burden associated with establishing a new international headquarters in Hong Kong for Xunfei, with the objective of expanding its operations. The focus will delve into the difficulties of Employee Recruitment, especially in managing the expectations of both prospective employees and management.

3.1 Talent Shortage

The Labour and Welfare Bureau (LWB) reported that Hong Kong expected challenges in labour supply, showing a 33.33% increase from 2023 to 2028 (The Government of the Hong Kong Special Administrative Region Press Releases, 2024). According to Hong Kong Business (2024), there is a significant talent shortage in the IT industry.

In December 2022, the Hong Kong Special Administrative Region (HKSAR) launched the Top Talent Pass Scheme, aiming to attract more high-calibre talent across the globe (Ho, 2024). The specific targets with substantial working experiences with minimum as degree holder, rather than recent graduates (Immigration Department, The Government of the Hong Kong Special Administrative Region of the People's Republic of China, 2024).

3.2 Competition from Other Companies

The rapid growth of AI and machine learning has created an urgent demand for specialized talent among existing companies (Hong Kong Business, 2024a). Additionally, around 900 technology firms are planning to enter the Hong Kong market (Liu, 2023). The giant technology companies like Google, Microsoft, and Apple are hiring globally with hybrid or remote working patterns, significantly impacting the recruitment landscape.

Qualified professionals are often not actively pursuing new job opportunities, as they are satisfied with their current positions or attracted by the personalized workplace benefits provided by their employers, weighing the opportunity cost of changing jobs (Crompton and Sanderson, 2024).

3.3 Culture Differences

Cultural disparities between Hong Kong and mainland China can pose significant challenges in business operations. Research indicates that the collective values prevalent in mainland Chinese culture often contrast with the more individualistic approach seen in Hong Kong. These differences can affect communication styles, decision-making processes, and management practices, potentially leading to misunderstandings and conflicts within teams (Reiche, Tenzer and Harzing, 2022). Companies must invest time and resources in cross-cultural training and relationship-building to bridge these gaps.

Furthermore, Xunfei HK needs to manage and navigate differing expectations regarding work-life balance and corporate culture across the two regions, which can affect employee satisfaction and retention rates (Patchell, 2023).

4. Address Challenges with Positive and Negative Implications

Sections 3.1 to 3.3 outline the potential challenges associated with employee recruitment. However, it is important to note that these difficulties do not solely yield negative impacts for Xunfei HK; they also present positive outcomes across various aspects (refer to Table 2.0).

Table 2.0: Implications of Recruitment Challenges for Xunfei HK		
Challenge	Positive Implications	Negative Implications
Talent Shortage	-Increase investment in staff development and training programs.	-High operation cost due to increasing salary expectation
	-HKSAR schema to attract qualified and experience talent	
Competition from Companies	-Enhance Xunfei HK branding efforts	-Increase labour cost
	-Innovation in recruitment strategies	-Invest resource to improve overall hiring processes
Cultural Differences	-Dynamic and inclusion workplace culture	-Misalignment with staffs expectations
	-Cooperate with outsource agencies	-Additional cost for cultural training programs and team building
Contributed by the writer		

Table 2.0 illustrates that Xunfei HK's challenges can be effectively managed through strategic planning, particularly with regard to operational costs. The financial challenges of recruitment are not anticipated to create major hurdles for a listed company, compared to small and medium enterprises (Fulcher, Cote and Marasco, 2021).

Additionally, these challenges present a variety of potential benefits that could enhance its operation. For instance, refining its employer branding and recruitment strategies can make the company more appealing to prospective employees; this approach not only attracts qualified talent but also fosters innovation and creativity within the organization, ultimately contributing to its long-term success in the competitive market (Szkudlarek, and Gross-Gloacka, 2025).

Establishing an international headquarter in Hong Kong necessitates a diverse and inclusive workplace environment is crucial, which can create additional value, such as fostering innovation and creativity, especially in the technology industry (Moussa et al. 2022).

Given these challenges, it is crucial for Xunfei HK to refine and implement strategies encompassing short-term, mid-term, and long-term action plans to effectively address each issue of employee recruitment. By adopting this method, Xunfei HK can overcome obstacles and seize opportunities for growth and innovation within both Hong Kong and the global business landscapes.

5. Initiatives for Problem-solving

To effectively address the challenges associated with employee recruitment, including talent shortages, intense competition from other companies, and culture differences, specific initiatives will be outlined in this section.

5.1 Short-term Action Plan

In the short term, the action plan prioritizes swift remedies by fine-tuning recruitment methods with skill-based assessments and offering job deconstructions. These initiatives aim to enhance hiring precision and employee role comprehension for streamlined organizational effectiveness.

5.1.1 Implement Skill-Based Hiring

Instead of educational qualification, Xunfei HK can also focus on the specific skills and competencies required for the position, such as practical assessment of demonstrating candidates ability with actual work tasks, and simulations to verify the interviewees response and skills (Stone et al. 2024).

By prioritizing skills over academic credentials, the HR department of Xuefei HK can expand the talent pool to include a more diverse group of local candidates. Nevertheless, the educational requirements for foreign employees are constrained by the HKSAR regulations.

Evaluating a candidate's skill set accurately can be complex and time-consuming, necessitating dependable testing procedures conducted internally or outsourced to third-party agencies, albeit at a higher initial expense (OECD, 2024).

5.1.2 Job Deconstruction

Period to advertising job openings, HR departments must conduct a detailed job analysis with the stakeholder, such as HR professional, managers, current employees, subject matter experts, external consultants; involving job description and specifications, impacting employee recruitment and selection choice (Sharma, 2023).

Numerous benefits stem from utilizing job analysis data, including job enlargement, job rotation, and job enrichment. This information allows HR personnel to clearly grasp the essential competencies needed for each role, thereby enhancing the likelihood of successful hires and reducing the chances of recruiting unsuitable employees (Sharma, 2023).

Referring to Figure 1.0, a thorough job development process that incorporates individuals from diverse fields can be time-consuming and present challenges such as potential role ambiguity, heightened management complexity, and personal biases (Das and Ali, 2024).

5.2 Mid-term Action Plan

This strategic plan builds on the early successes of short-term objectives, centering on incorporating cultural sensitivity training and establishing partnerships with educational institutions, aims to nurture a positive workplace culture, promote talent development through educational alliances, and boost employee engagement for ongoing organizational advancement.

5.2.1 Culture Sensitivity Training

As an international headquarter in Hong Kong, the workplace must embody dynamism through diverse cultures, the employees need to learn to navigate cross cultures with help employees recognize and mitigate their biases in the workplace, thereby enhancing engagement as a culturally sensitive workplace (Philips, 2020).

This training demands continuous education and unwavering organizational dedication to address complexities like sensitivity, potential confusion in interactions, and impediments to open communication (Wong, 2024).

5.2.2 Developer Partnerships with Educational Institutions

Establishing partnerships with educational institutions provides access to a pool of skilled graduates who are well-versed in industry standards. Such collaborations can serve as effective marketing strategies for both educational organizations and businesses, demonstrating a commitment to community development and workforce readiness, while also enhancing Xuefei HK's brand image (Allen, Reupert and Oades, 2021).

Partnerships between educational institutions and companies have been recognized as beneficial for both parties, facilitating access to a skilled workforce while enhancing the educational experience through practical learning opportunities (Halase and Sin, 2022). However, these partnerships require long-term planning and may be influenced by external factors such as birth rates, economic conditions, and changes in educational policies (Kochan and Griggs, 2020).

5.3 Long-term Action Plan

To effectively implement the globalization of business at Xunfei, the long-term action plan should focus on integrating International Human Resource Management (IHRM) practices into the core HR functions. This integration is essential for developing a global mindset within the HR department, which is crucial for navigating the complexities of operating in diverse markets (Reiche, Tenzer and Harzing, 2022).

5.3.1 Developing a Global Mindset

It is imperative to cultivate a global mindset among HR professionals. This involves training HR personnel to understand and appreciate cultural differences, enhancing their ability to manage a diverse workforce effectively. By fostering this mindset, Xunfei can better align its HR strategies with global business objectives, ensuring that employees are equipped to operate in an international context (Lazarova, Thomas and Farndale, 2021).

5.3.2. Decision-Making Structure

Implementing an organic decision-making structure will empower teams and enhance adaptability. An organic model promotes flexibility and decentralization, enabling quicker responses to market changes (Wilkinson, Hutchings and Michaliova, 2024). This approach is particularly beneficial in fast-paced industries like technology. The management of Xuefei must invest time in reviewing and refining these strategies to adapt to changing market conditions.

6. Recommendations and Conclusion

This section outlines key recommendations for Xunfei HK to effectively tackle recruitment challenges, enhance employee engagement, and foster a diverse workplace. By implementing a structured action plan, the company can achieve sustainable growth and success in the global market (Lazarova, Thomas and Farndale, 2021).

6.1 Recommendations

To address the challenges of employee recruitment effectively, Xunfei should implement a comprehensive action plan that spans short-term, mid-term, and long-term initiatives.

6.1.1 Short Term

In the short term, adopting skill-based hiring practices and conducting thorough job analyses will enhance recruitment precision and improve employee role clarity. While skill-based hiring expands the talent pool, it may require significant resources for accurate assessment. Job deconstruction facilitates better understanding of role requirements but can lead to complexities in management and potential biases (Jesuthasan and Boudreau, 2023).

6.1.2 Middle Term

Implementing cultural sensitivity training will foster an inclusive workplace that values diversity, enhancing employee engagement. However, this training requires ongoing commitment and resources to be effective (Child et al. 2019). Establishing partnerships with educational institutions will provide access to a skilled workforce while enhancing Xunfei's brand image (Tran and Kelley, 2024); yet, these collaborations necessitate careful planning and may be influenced by external factors.

6.1.3 Long Term

Integrating IHRM practices is essential for cultivating a global mindset within the HR function. Aligning core HR processes with global competencies ensures consistency across locations, while an organic decision-making structure promotes flexibility and innovation (Reiche, Tenzer and Harzing, 2022).

6.2 Conclusion

Xunfei faces challenges such as talent shortages, competition from other companies, and cultural differences while establishing its international headquarters in Hong Kong. The proposed initiatives offer significant benefits in enhancing global operations and fostering employee engagement, but they also require skilled management and may increase operational costs (Wilkinson, Hutchings and Michaliova, 2024).

Ongoing development and training for all employees, including HR personnel, are essential for success (Philips, 2020). Additionally, management must commit to regularly assessing and refining these strategies to adapt to evolving market conditions and ensure that the organization remains competitive (Sharma, 2023).

By implementing these recommendations, Xunfei HK can position itself for sustained success in a highly competitive global environment, and resolve the challenges of employment recruitment. Collaboration with internal and external stakeholders is crucial (Lazarova, Thomas and Farndale, 2021), highlighting the importance of two-way communication to effectively align objectives and strategies with the company's overarching vision and mission.

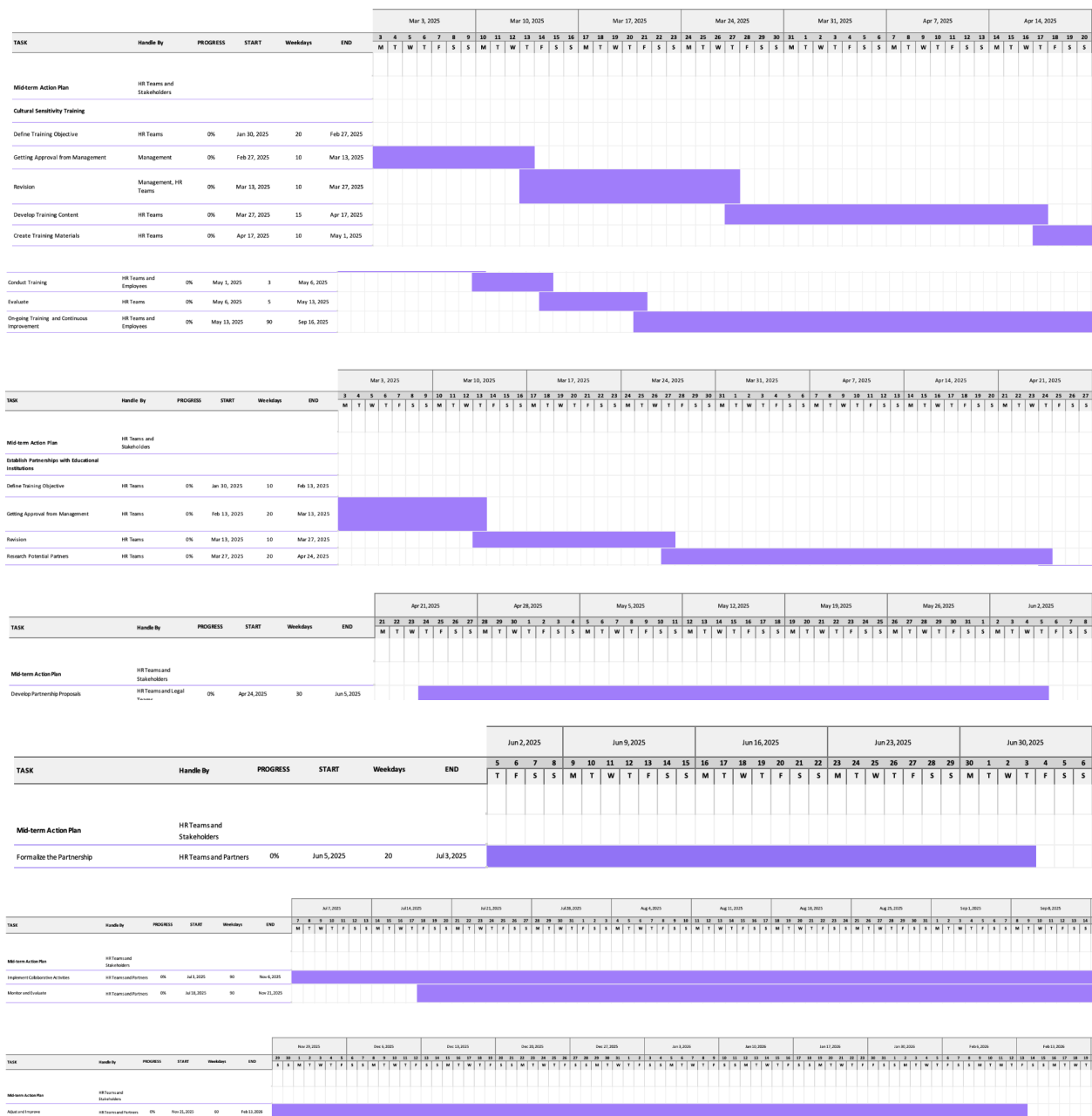
This section outlines the action plans along with an implementation schedule for short-term, mid-term, and long-term initiatives. It also breaks down the components of skill-based hiring, job deconstruction, cultural sensitivity training, establishing partnerships with educational institutions, integrating IHRM, and implementing an organic decision-making structure.

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Project Duration: January 20, 2025 to May 15, 2025

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Figure 1.1: Mid-term Action Implementation Schedule (Displayed by 10 Weeks)



Project Items: Cultural Sensitivity Training and Establish Partnerships with Educational Institutions

Project Duration: January 30, 2025 to February 13, 2026

Total Duration: 12 to 13 months

Figure 1.2: Long-term Action Implementation Schedule (Displayed by 12 weeks)



Project Items: Integrate International Human Resource Management (IHRM) and Implement an Organic Decision-Making Structure

Project Duration: January 30, 2025 to August 21, 2026

Total Duration: 18 to 19 months

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