



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge International Diploma in Business
Standard Level

HUMAN RESOURCE MANAGEMENT

5165/01

Optional Module

October 2008

2 hours plus 15 minutes reading time

Additional Materials: Answer Booklet/Paper

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.

Write in dark blue or black pen.

You may use a soft pencil for any diagrams, graphs or rough working.

Do not use staples, paper clips, highlighters, glue or correction fluid.

Attempt all tasks.

Start each task on a new piece of paper.

Please leave a margin on the right and left hand side of each new page.

At the end of the examination, fasten all your work securely together, in the correct order.

The number of marks is given in brackets [] at the end of each question or part question.

This document consists of **4** printed pages.



You must read the case study and attempt ALL the tasks which follow.

(The case study is fictitious.)

THE ORIGINAL PANAMA CANAL COMPANY (OPCC)

The increase in trade between China and the Western world has led to an increase in the size of the tankers transporting many of the goods between China and the West. This in turn has created problems for the Panama Canal which is no longer wide enough to accommodate these superwide ships. In order to avoid a potential loss of business it has been decided by the Panamanian Government to expand the Canal. 5

A new company with the title The Original Panama Canal Company (OPCC) has been set up by the Government to ensure that the expansion is constructed with the minimum number of problems and to the highest possible standard. It is expected that the work will be a showpiece around the world and the company will set an example of technical expertise and ethical Human Resource Management (HRM). 10

The OPCC has already started the recruitment process for construction and professional staff. The selection process will involve practical tests and interviews as well as the standard application form and letter. The company hopes to recruit the right staff because the local area has a high percentage of males aged 25 to 40 with engineering skills and a good working knowledge of the Panama Canal. There also exist a large number of unskilled males who could fill the many labouring vacancies. OPCC have set up small training units to update the skills of their new employees. The level of technology has increased so much in the past 10 years that it has brought a need for totally new skills, a need to update and develop some skills and in some cases the need for complete career changes. This method of off-the-job training will be available throughout the period of the construction of the new canal as well as on-the-job training and induction training. 15
20
Employees will undertake continual professional development to equip them for jobs in the future.

It is the purpose of HRM at OPCC to ensure that the right mix of skills is provided, that costs of employment and support costs are controlled and that OPCC can react to any changes that might occur during the expansion of the Canal. At the same time they must remain true to the meaning of HRM. All of the HRM operations at OPCC will be controlled centrally to ensure that standards of health and safety are maintained. All workers will be treated in an equal and fair manner and receive the same pay for the same type of job. Also, all of the workers will be encouraged to only work the standard number of hours per week. These measures should avoid losing staff through resignation or dismissal which is a costly and time consuming process. 25
30

To ensure that these measures are not ignored, there will be a health and safety committee, an equal opportunities committee, a works council and two elected workers on the board of OPCC. Every manager will be taught how to operate the grievance and discipline procedures, which will be standard throughout the company.

The quality of the finished product, in this case the new Panama Canal, is extremely important. For this to be achieved, the workers need to be highly motivated. OPCC proposes to use a series of production targets for each worker with payment linked to the targets, payment by results, and a bonus if the strict standards of quality are maintained. The targets and standards will be reviewed every 4 weeks by a line manager and if the targets are met at the required standard, the worker will receive their full payment with a bonus. 35
40

It is hoped that the greatest motivation for the workforce will be the job itself. Job satisfaction, along with good working conditions, good working relationships and appropriate levels of responsibility should motivate the workers to produce a new waterway that fits the 21st century.

You must attempt ALL of the following tasks.

- 1 (a) List **four** elements of the selection process. [4]
- (b) Describe how a contract ends if an employee is:
- (i) dismissed [3]
- (ii) resigns [3]
- (c) Explain the different elements of the recruitment process. [10]
[Total: 20]
- 2 (a) List **four** features of the local labour market. [4]
- (b) Explain why the following standards are important to OPCC:
- (i) Equal Opportunities [3]
- (ii) Health and Safety [3]
- (c) Explain how new technology has influenced the HRM of the new employees of OPCC. [10]
[Total: 20]
- 3 (a) List **four** elements of the meaning of HRM at OPCC. [4]
- (b) Explain **two** of the purposes of HRM at OPCC. [2 x 3 = 6]
- (c) Explain the difference between centralised and decentralised management of human resources. [10]
[Total: 20]
- 4 (a) List **four** systems that OPCC will use for communicating with its employees. [4]
- (b) Outline the following procedures:
- (i) grievance procedure
- (ii) discipline procedure [2 x 3 = 6]
- (c) Explain how targets and standards can be used by OPCC to measure and monitor the workers' performance. [10]
[Total: 20]

Question 5 is on the next page

- 5 (a) List **four** types of training and development at OPCC. [4]
- (b) Explain how OPCC intend to use:
- (i) payment by results [3]
 - (ii) bonus payments [3]
- (c) Explain how the nature of the work will contribute to motivation at OPCC. [10]
- [Total: 20]

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