



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

**HUMAN RESOURCE MANAGEMENT**

**5165/01**

Optional Module

**May 2010**

**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 **3** printed pages and **1** blank page.



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

(The case study is fictitious.)

## **SUPERIOR EMPLOYEES**

Kwok, Jayesh and Lyn run a recruitment and training agency, Superior Employees (SE), that recruits staff and then finds work for them, usually on a fixed term or permanent contract. SE also provides a training service for client companies who cannot train their own employees on the job. SE performs a valuable function for those companies who do not have the time or the expertise to recruit and select their own employees. SE charges each client company a fee for selecting appropriate employees for interview. 5

The recruitment and selection processes followed by SE are very thorough. SE advertises in trade magazines and local newspapers, on the radio, in many of the large stores and occasionally on the television. The agency also emails its current and past clients on a regular basis.

There is a standard selection process followed by SE for all positions and levels of skill. Potential employees must present a Curriculum Vitae (CV) and a letter of application. They are then interviewed and tested, the test being determined by the trade, skill or profession of the individual. Finally, two references are required. If the person meets the standards set by SE, they are registered and SE looks for suitable employers for them. 10

SE claims that it helps client companies to fulfil the purpose of Human Resource Management (HRM) by providing the right mix of skills, controlling the costs of employment, controlling or lowering the administrative costs and allowing the client companies to react effectively to change. However, the agency is criticised because it makes it difficult for client companies to pursue the true meaning of HRM by decentralising the control that a company has over its workforce. SE disputes this, making the point that it only helps client companies to appoint staff, and that it does not make the final choice and has no influence once they are employed. 15 20

As well as the recruitment part of the business, SE has a Training Department that provides off-the-job training for companies. The rapid growth in information technology means that many companies are unable to keep their staff up to date with the technological changes that are taking place. This means that their employees need constant training to allow them to continue with their jobs. For many employees, SE has become a Lifelong Learning Centre rather than a training centre. SE also provides training that covers the legal aspects of employment such as equal opportunities, health and safety, employment protection and minimum wages, as well as skills based training for those individuals who wish to change careers. 25

SE employs its own trainers and sets all of its trainers a range of targets, standards and key competencies based upon feedback from each of the training sessions they run. This feedback becomes part of a monthly report which is then used for a three monthly appraisal carried out by the SE Human Resources (HR) department. Beyond the appraisal system, the communication systems between SE and its employees are poor. None of the traditional systems such as works councils and committees actually exist because it is believed that they are not required and are not relevant to the work of the employees of SE. 30 35

SE is very successful because it understands that money is not the only motivating factor for its employees and the nature of their work is possibly more important. SE pays a fixed monthly salary, plus an additional hourly rate when staff are running training sessions. Everyone has a pension and annual bonuses are paid when the company makes a profit. Every trainer has a company car or an interest free loan to buy their own car, and while they are running training sessions, SE pays for all of their accommodation and food. The most important factor is that the relationships between the workers and the management are excellent. Praise and recognition is a major factor in the running of SE and, wherever possible, staff are given the responsibility to act on behalf of the company. 40 45

**You must attempt ALL of the following tasks.**

**Where appropriate use information from the case study to support your answer.**

- 1 (a) List **four** purposes of Human Resource Management (HRM). [4]  
 (b) Explain the meaning of HRM. [6]  
 (c) Companies use Superior Employees (SE) to find staff for interview. Explain how HRM is decentralised when a company uses the services of Superior Employees (SE). [10]  
**[Total: 20]**
- 2 (a) List **four** legal aspects of employment that are included in the training provided by SE. [4]  
 (b) Explain why employment protection is important to employees. [6]  
 (c) Explain why SE has become a Lifelong Learning Centre. [10]  
**[Total: 20]**
- 3 (a) List **four** media used by SE to recruit staff. [4]  
 (b) Explain the difference between a fixed term and a permanent contract. [6]  
 (c) Explain in detail the selection process used by SE. [10]  
**[Total: 20]**
- 4 (a) List **four** methods for monitoring and measuring the work of SE staff. [4]  
 (b) Explain how an appraisal system at SE might operate. [6]  
 (c) Explain how traditional communication systems would help SE and its employees. [10]  
**[Total: 20]**
- 5 (a) List **four** methods of payment used by SE. [4]  
 (b) Explain why SE offers company cars and interest free loans to its employees. [6]  
 (c) Explain how the 'nature of the work' at SE contributes to the workers' motivation. [10]  
**[Total: 20]**

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