

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

HUMAN RESOURCE MANAGEMENT

5165/01

Optional Module

May 2005

2 hours 15 minutes

Additional Materials: Answer Booklet/Paper

READ THESE INSTRUCTIONS FIRST

The time allocated for this examination includes 15 minutes reading time.
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 that follow.

[The following case study is fictitious]

WorldWide Books Ltd (WWB)

WorldWide Books Ltd (WWB) produces and distributes children's books in several different languages across most of South East Asia. The company employs 250 people, some on a full-time basis and others on part-time contracts, including general administration staff, cleaners and site staff, packers, delivery drivers, binders, printers and editors as well as authors. There are ten managers, each on a two-year fixed contract, who seek out new authors and commission them to produce new books. Authors are not employees of the company but are given contracts for the completion of a specific book. 5

Malvika is the senior Human Resource Manager for WWB. Her job includes providing the right mix of skills for the company, controlling the costs of employment, and ensuring that the company has the ability to react to any changes in the industry. Malvika and her team deal with all Human Resource (HR) issues. Malvika sees her role as creating and maintaining good relationships within the company and between WWB and other companies it deals with. 10

Malvika's job is not always easy, as she has to deal with problems within the company such as formal grievance and discipline issues as well as external issues. Her week is often taken up with meetings. Internally she meets the workers' council, Health and Safety committee, and discusses issues with the two worker directors. Externally she has meetings with the 'Writers Guild', (the authors' professional association), relevant Government departments, and the local Employers' Association and a regional trade union representative. Both the trade unions and the Government are keen to ensure that all employees are protected, equal opportunities and Health and Safety laws are followed, and that the company is providing the right training for the workers. 15 20

WWB is acknowledged as a good employer. The working conditions are excellent and there is a high level of job satisfaction. The employees receive subsidised meals, have free health care, a free company pension and can purchase any of the company's products at a 50% discount. As well as a good salary or wage, all staff are paid an annual bonus with the option to buy shares in the company. The workers agree that they receive recognition for their efforts through promotion and additional responsibility. The relationships between colleagues, workers and the management are good. 25

Malvika is concerned that this reputation might be damaged because she has to reduce the workforce by 15% due to a slump in sales. She has a few options because some workers are nearing retirement age and others are on fixed term contracts. She does not want to dismiss people, even those who have been identified through their appraisal as not achieving the standards set and who have missed their targets on a regular basis. Malvika is confused and realises that she will need to seek advice from the board of directors. 30

You must attempt ALL of the following tasks.

- 1 (a) Explain the meaning of Human Resource Management (HRM). [6]
 (b) List **four** purposes of HRM. [4]
 (c) Describe the approach of WWB to the management of human resources. [10]
[Total: 20]
- 2 (a) List **four** organisations or groups that influence how human resources are managed at WWB. [4]
 (b) Describe the function of **two** of the organisations listed in (a). [6]
 (c) Describe, using examples from the case study, what aspects of the legal environment affect how people are managed at WWB. [10]
[Total: 20]
- 3 (a) List **four** ways in which an employment contract may end. [4]
 (b) Describe **two** methods Malvika has considered using to reduce the workforce at WWB. [6]
 (c) Describe the different types of employment contract used by WWB. [10]
[Total: 20]
- 4 (a) List **four** methods of measuring and monitoring people's performance at work. [4]
 (b) Describe **two** methods used by WWB of measuring and monitoring people's performance at work. [6]
 (c) Explain the systems that Malvika and WWB use to communicate and negotiate with the staff. [10]
[Total: 20]
- 5 (a) List **four** fringe benefits. [4]
 (b) Describe **two** methods of payment used by WWB. [6]
 (c) Explain why the workers at WWB are well motivated. [10]
[Total: 20]

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