

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

**HUMAN RESOURCE MANAGEMENT**

**5165/01**

Optional Module

May 2006

**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.]

### **DC Games Ltd (DCG)**

DC Games (DCG) produces a variety of games for the various home computer markets and has three further operations in three other countries. Over the past six months the company has suffered a number of problems and so the Board of Directors have commissioned a report from a consultancy firm to highlight the problems and potential solutions.

The following is an extract from the report dealing with the Human Resource Management (HRM) 5  
aspects of the company.

### **Report by HRC (Human Resource Consultancy) on DC Games Ltd.**

The workforce at the company is employed on a variety of employment contracts ranging from full-time permanent to fixed term, and for specific tasks such as programme writing. The workforce in each of the three areas where the factories are situated has changed in the last five years from predominantly female to male. The age profile has also changed from middle-aged to a young workforce. This has had implications for both the quality of the product produced and the supervisory roles within each factory. The company needs to reconsider its methods of production in order to stop the decline in sales, and to consider the possibility of recruitment from outside the immediate area of the factories. 10  
15

Each factory is characterized by different ways of organizing the work. Flexitime is used for the general administration staff, standard daytime hours for the management and most of the supervisory staff, and shift work (both day time and night time) for those on the production line. This pattern of work makes the best use of the resources available and ensures that the machines are operated 24 hours a day, maximizing production. 20

The company strictly follows the legal requirements of the country in which it is situated. Equal opportunities, maternity, health and safety and employment protection are all covered by policies and the employees have excellent training in all of these. This contributes to a workforce that appears highly motivated, valuing the recognition they receive, the working relationships with the managers and their colleagues and the levels of responsibility they are given. However, despite good induction training which covers the legal requirements and some on-the-job training at the beginning of employment, there is no further training made available by the company and this is seen as a major problem. 25

Surprisingly enough, the relatively low level of pay, although above the minimum wage, does not seem to have affected the morale and motivation of the workforce. Workers appear to be adequately remunerated with a range of benefits such as subsidized food, free sports and social facilities, a contribution to healthcare and a discount of 30% on all company products. As mentioned earlier in this report, it is thought that the low wage may have affected the quality of the finished product. 30

It is a surprise that no official trade union exists at any of the factories. Equally surprising is the fact that neither targets nor standards are used to ensure the level of output and its quality. 35

In conclusion, it would seem that whilst HRM has managed to control the costs of employment well, it has not provided the right mix of skills needed for efficient operation. In addition, the workforce employed by the company has not been able to respond to change in the way that it should. This has not been helped by the centralized system for HRM. 40

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

- 1 (a) List **four** costs of employment for DCG. [4]  
 (b) Explain, with the use of an example, how a centralized HRM system works. [6]  
 (c) Explain the extent to which HRM at DCG fulfils its purpose. [10]  
**[Total: 20]**
- 2 (a) List **four** aspects of the legal environment at DCG. [4]  
 (b) Describe **two** functions that a trade union could perform at DCG. [6]  
 (c) Explain how changes in the gender and the age of the workforce have affected DCG. [10]  
**[Total: 20]**
- 3 (a) List **four** types of employment contract used by DCG. [4]  
 (b) Explain **two** of the employment contracts listed in (a) above. [6]  
 (c) Explain the purpose of recruitment, and identify the recruitment methods that DCG might use. [10]  
**[Total: 20]**
- 4 (a) List **four** ways in which work is organized at DCG. [4]  
 (b) Describe **two** systems that DCG might use in order to improve communication and conflict resolution. [6]  
 (c) Explain how DCG could measure and monitor performance at their factories in order to improve quality and output. [10]  
**[Total: 20]**
- 5 (a) List **four** fringe benefits used at DCG. [4]  
 (b) Describe the induction training that takes place at DCG. [6]  
 (c) Explain how the nature of work at DCG helps to motivate the workforce. [10]  
**[Total: 20]**

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