



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

HUMAN RESOURCE MANAGEMENT

5165/01

Optional Module

May 2007

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 following case study is fictitious.)

REAL BISCUITS

“Real Biscuits” was established in 2000 by Sapna, Dipika and Vaylin. They had decided to use their own cooking skills and make use of the large supply of unskilled labour, male and female, in their area to set up their own baking business. Sapna was initially in charge of the Human Resource Management (HRM) part of the company, ensuring that they had the right mix of skills, could react to change and that employment costs, such as wages, salaries and social costs were controlled. Dipika dealt with sales and buying the raw materials. Vaylin dealt with finance, paying the bills and the weekly wages. 5

Biscuits and bread are now baked at four different locations around the city and sold through five different outlets. As the company has grown Sapna has been unable to manage all of the bakers, who work on a shift pattern at the different locations. The company decided to appoint supervisors, one for each location, who would be responsible for the daily management but would refer to Sapna if any major issues arose. This worked well except for the Eastern Bakery, managed by Joel. 10

Sapna was concerned that a number of the workers had left this bakery for no reason and without giving notice. New workers had replaced them but without a formal interview or any paperwork. In fact Sapna was not sure if some of these workers actually existed. All of this was strictly against company policy because all jobs were supposed to be advertised and the candidates interviewed and tested. The workers appointed always received a permanent full-time or part-time contract from Sapna. It was at about this time that she received anonymous letters about the way “Real Biscuits” treated their workers, the poor quality raw materials the employees had to work with and the low wages that “Real Biscuits” paid. In fact Sapna had always paid above the minimum wage and stuck rigidly to all of the employment laws and so was puzzled by the letters. 15 20

The final problem was when Dipika received complaints from some of “Real Biscuits” customers, who were unhappy with the quality of the bread and biscuits they had purchased. The output of the Eastern Bakery was also lower than any other by at least 25%. It was decided that Nilesh, Sapna’s younger brother, would join the Eastern Bakery and then report back to Sapna. 25

Nilesh arrived on his first day and reported to Joel. Nilesh asked about training, health and safety and induction but was told that it was not needed. He was shown where to work and given an old dirty overall. Whilst Nilesh was standing in the office another young male entered and asked for a job. Joel asked if he had any experience and he claimed that he had. He appointed him immediately but warned that he would not have a contract, could not join a trade union and that the wage rate was below the minimum. If he caused any problems, he would be sacked instantly. Joel was a large man and all of the workers standing outside of the office were clearly frightened of him. Both Nilesh and his new colleague were told to use the cheaper raw materials and not those supplied by the company. 30 35

The next day Nilesh reported all of these events to his sister Sapna. She contacted Joel and asked him to see her in her office. When Joel arrived she confronted him with the facts that she knew. At this point Joel began to admit that he had been taking money out of the workers’ pay packets, selling the raw materials provided and substituting cheaper ones. He also admitted that some of the employees he claimed money for did not exist. At this point Sapna dismissed him. 40

You must attempt all of the following tasks.

- 1 (a) List **four** purposes of Human Resource Management (HRM). [4 x 1 = 4]
 (b) Explain, using examples, **two** purposes of HRM. [2 x 3 = 6]
 (c) Explain how the management of Human Resources changed as Real Biscuits increased the size of its operations. [10]
[Total: 20]
- 2 (a) List **four** aspects of the legal environment that impact on HRM at Real Biscuits. [4 x 1 = 4]
 (b) Explain **two** benefits of being a member of a trade union. [2 x 3 = 6]
 (c) Explain which aspects of employment law Real Biscuits have ignored and say why they are important. [10]
[Total: 20]
- 3 (a) List **four** types of employment contract. [4 x 1 = 4]
 (b) Describe the **two** types of employment contract issued by Sapna. [2 x 3 = 6]
 (c) Describe the selection process that Joel **should** have used to recruit more workers. [10]
[Total: 20]
- 4 (a) List **four** systems for communicating and resolving problems. [4 x 1 = 4]
 (b) Explain how **two** systems for communicating and resolving problems might operate. [2 x 3 = 6]
 (c) Describe how a shift system **should** have operated at Real Biscuits to ensure maximum efficiency. [10]
[Total: 20]
- 5 (a) List **four** features of training and development. [4 x 1 = 4]
 (b) Explain **two** training methods that would help the workers at Real Biscuits. [2 x 3 = 6]
 (c) Explain how the nature of work at the Eastern Bakery might **demotivate** the workers. [10]
[Total: 20]

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