



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

HUMAN RESOURCE MANAGEMENT

5165/01

Optional Module

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



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

(The following case study is fictitious.)

THE TRANS-CONTINENTAL RAILWAY (TCR)

An announcement made last week by the Trans-Continental Railway Company (TCR) concerns what is thought to be the most ambitious railway project ever. TCR is proposing a new service which will run non-stop from Beijing in China to Krakow in Poland, covering several thousands of miles and several countries. TCR is currently recruiting staff for the construction of the track and stations, (the 'construction staff'), and for providing service on the trains, (the 'service staff'). 5

TCR is recruiting by using television and newspaper advertisements in each country. Job descriptions and person specifications are available for each job. Construction staff will be required to work during the daytime only, but service staff will be expected to work on a shift system. The contracts on offer are permanent. Full and part time contracts are available for service staff and fixed term or temporary contracts for the construction staff. 10

The method of payment for the construction staff is to be a fixed wage with bonuses if set targets are reached. The service staff are to be paid a fixed monthly salary, with a profit sharing scheme and a pension scheme. In addition, all service staff will have free travel, subsidised meals and free health care. The service staff are guaranteed induction training with on-the-job training throughout the first year of their contract. The construction staff are expected to be skilled operatives with experience in rail construction and so no training is to be provided. 15

Despite the great excitement about such an ambitious project, many people in the travel industry are concerned about the complexity of the project and the availability of the right type of labour. In each of the countries there is an abundant supply of both male and female labour aged 45 and over, but this is largely unskilled and semi-skilled. There is a lack of skilled male labour and very few with engineering skills. The situation is worse in Poland where there has been a migration of young skilled labour to other parts of the European Union and not much skilled labour below the age of 50 exists. 20

It is also a fact that TCR has a poor reputation for Human Resource Management (HRM). They prefer to decentralise HRM and allow the local managers to deal with all of the issues. This has its advantages with operations all over the world but has the disadvantage of creating an inconsistent approach. One of the purposes of HRM, to create the right mix of skills, is usually achieved, but controlling the costs of employment, wages, administration, and support costs is often neglected. TCR does not fully understand the meaning of HRM and has had many battles with trade unions regarding the company's poor health and safety record, failure to follow equal opportunities and minimum wage legislation. This has led to a complete ban by TCR on union membership for all of their workers. 25 30

The company denies all of these charges and highlights the fact that for each of its operations, the construction and service side, they have flexible methods for both measuring and monitoring people's work according to the type of work they do. These methods include standards, targets and appraisal systems. They have a number of committees and systems for communicating, as well as discipline and grievance systems that were originally designed and approved by the workers themselves. 35

TCR is keen to point out that very few staff leave the company because of dismissal or resignation. In fact the vast majority leave due to the end of their contract or by mutual agreement. 40

TCR believes that the new railway will be the success story of the 21st century.

You must attempt ALL of the following tasks.

- 1 (a) List **four** types of employment contract that TCR intends to use. [4]
- (b) Explain the purpose of:
- (i) job descriptions [3]
- (ii) person specifications [3]
- (c) Explain why TCR is organising the work of the construction staff and the service staff differently. [10]
- [Total: 20]
- 2 (a) List **four** methods of payment that TCR intends to use. [4]
- (b) Explain how TCR might use:
- (i) induction training [3]
- (ii) on-the-job training [3]
- (c) Explain why TCR has decided to use fringe benefits. [10]
- [Total: 20]
- 3 (a) List **four** features of the labour market facing TCR. [4]
- (b) Explain **two** functions of a Trade Union. [2 x 3 = 6]
- (c) Explain how the workers at TCR might be affected by the company's failure to follow the law. [10]
- [Total: 20]
- 4 (a) List **four** purposes of HRM. [4]
- (b) Explain the meaning of HRM. [6]
- (c) Explain the problems that might arise with a decentralised approach to HRM. [10]
- [Total: 20]
- 5 (a) List **four** methods of measuring and monitoring performance used by TCR. [4]
- (b) Describe **two** systems that TCR might use for communicating with its employees. [2 x 3 = 6]
- (c) Explain, using examples, how the discipline and grievance procedure might operate at TCR. [10]
- [Total: 20]

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