



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

HUMAN RESOURCE MANAGEMENT

5165/01

Optional Module

May 2013

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.

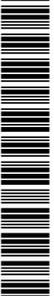
Start each task on a new piece of paper.

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 of the tasks which follow.
(This case study is fictitious.)

ANZE Insurance

A large bank is planning to open a subsidiary company offering insurance services to the general public. This subsidiary will be called ANZE Insurance (ANZE) and will be based at the Bank's Head Office. ANZE will run independently of the Bank and will therefore require its own Human Resource Management (HRM) department. A manager has already been appointed for the HRM department.

The HRM manager's first task will be to plan how the meaning and purpose of HRM will be applied at ANZE. It is intended that ANZE will eventually have a number of branches operating throughout the country. This means that the HRM manager will also have to consider whether ANZE will operate a centralised or decentralised approach to the management of its human resources. 5

Staff will need to be recruited to work at ANZE so the HRM manager will have to investigate the main features of the local employment market to ensure that enough suitably qualified workers are available. Employees in the insurance industry have a strong trade union representing them which will try to ensure that all contracts offered to staff meet the country's legal requirements. The HRM manager could ask for advice from the Insurance Industry Employers Association and government agencies to gain assistance in this and other employment matters. 10

A range of jobs will be created at ANZE which will have different requirements. The HRM manager has already decided that it will not be possible to use just one type of employment contract to cover all employees. This will also mean that for ANZE to operate successfully, it will have to consider using different working patterns in order to make the best use of its resources and employees. When the employment contracts and working patterns have been agreed, the HRM manager can then start the recruitment process. 15
20

The HRM manager has planned to put in place proper procedures for measuring and monitoring the performance of employees. These will be set up as soon as ANZE starts trading. It will be easier for the manager to adapt the procedures that already exist for the Bank staff along with the Bank's grievance and disciplinary procedures. The manager would like to be in a position to explain all of these procedures to future employees during the selection process but also recognises that other methods of communication will need to be used in the future. 25

All staff will require some training from ANZE so the HRM manager will need to consider how this can best be provided. Employees will also want to know how they will be paid for their services so appropriate methods of payment need to be selected for the different types of employees. ANZE will also need to consider if it intends to offer employees any fringe benefits in addition to their basic pay. 30

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 x 1 = 4]
 (b) Explain what is meant by the centralised and decentralised approaches to HRM including the advantages and disadvantages of both methods. [6]
 (c) Explain how the “meaning of HRM” can be applied at ANZE by the HRM department. [10]
 [Total: 20]
- 2 (a) List **four** of the different aspects of the legal environment which affect HRM. [4 x 1 = 4]
 (b) Explain the main features of employment markets. [6]
 (c) Describe how ANZE could be affected by trade unions, employers associations and government agencies. [10]
 [Total: 20]
- 3 (a) List **four** different types of employment contract. [4 x 1 = 4]
 (b) Describe the different work patterns that ANZE could use. [6]
 (c) Describe the **recruitment** process that ANZE needs to consider. [10]
 [Total: 20]
- 4 (a) List **four** methods for measuring and monitoring peoples’ performance at work. [4 x 1 = 4]
 (b) Explain how discipline and grievance procedures could operate at ANZE. [6]
 (c) Describe other systems ANZE could use for communicating in HRM. [10]
 [Total: 20]
- 5 (a) List **four** methods of training ANZE could use. [4 x 1 = 4]
 (b) Describe **three** methods of payment available to ANZE. [3 x 2 = 6]
 (c) Describe the fringe benefits and non-financial rewards suitable for ANZE. [10]
 [Total: 20]

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