

UNIVERSITY OF CAMBRIDGE LOCAL EXAMINATIONS SYNDICATE
CAMBRIDGE CAREER AWARD – STANDARD LEVEL

BUSINESS

5165/1

Human resource management
Optional module

OCTOBER 2002

Additional materials:
Answer paper

TIME 2 hours plus 15 minutes reading time

INSTRUCTIONS TO CANDIDATES

Write your name, Centre number and candidate number in the spaces provided on the answer paper/booklet.

Attempt all tasks.

Write your answers on the separate answer paper provided.

If you use more than one sheet of paper, fasten the sheets together.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets [] at the end of each task or part task.

You may use a calculator.

This question paper consists of 4 printed pages.

[Turn over

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

(The following case study is fictitious)

Case study: Dockport plc

Dockport plc is a family shipbuilding company, owned by a technical expert in shipping engineering, which has been built up by the owner and his sons and daughters from the 1950s. The owner, now in his 80s, is poor at delegating, and the Board, which consists entirely of family members except for the Finance Director, is a place for loud argument and disagreements. The situation is no better in the offices and in the shipyard. Everyone tries to guess what the owner wants, as there are few rules and regulations in this 'power culture'. The owner and his family can change their minds at a moment's notice. They can hire and fire staff immediately, change people's jobs, by promoting them or demoting them, by punishing them by suspensions without pay and so on. 5

The Human Resources (HR) department tries to keep up with all the changes by filling in the relevant paperwork to inform payroll and the tax authorities of changes to wages, dismissals or new hires. The staff in HR have no time to plan ahead, nor are they required to. There is poor morale in the shipyard, and employees have begun to join trade unions, though the owner and family are against it as they regard the business as their own private affair. They do not regard employees as assets but as liabilities who get in the way of how the family want to do things. Unfortunately, none of the family members have any qualifications or experience in management, other than in Dockport plc. This means that they treat new employees with suspicion, as they often have ideas either from elsewhere, or from their studying for qualifications. New employees therefore often do not last long before they are sacked. 10 15

Things outside the shipyard are changing, however, and the Government has introduced measures to avoid the kind of exploitation of employees which Dockport plc has been using. These include protection from unfair dismissal for long-serving employees, safety, health and environment legislation and some aspects of Equal Opportunities, such as equal pay for work of equal value. Many staff have recently left, often going to lower-level jobs where pay and fringe benefits are as good as or better than in Dockport plc, and where the atmosphere is not so threatening. The Finance Director has had enough of the family arguing at each Board Meeting. He has told the owner that this, combined with unfair treatment of the workforce, may lead him to resign. If he does leave, many trade and financial secrets might go with him. The owner is keen to make changes to keep the Finance Director happy. He is also aware of quality problems in the shipyard that are causing delays and re-work due to poor morale. He thinks that these can be solved by stricter discipline and punishment. 20 25 30

You must attempt all of the following tasks.

- 1 (a) Human Resource Management (HRM) is supposed to be 'the process of creating and retaining relationships'.
Explain what this means. [5]
- (b) Using the points already made in (a) above, discuss how successful *Dockport plc* is in creating and maintaining relationships with its employees. [10]
- (c) Describe **two** other major functions of HRM which are relevant to *Dockport plc*. [5]
- (d) Identify and explain the cause of the conflicts between the family and the Finance Director. [5]
[Total: 25]
- 2 In order to survive, *Dockport plc* must develop and match changes in the environment.
- (a) Explain briefly how new skills can be developed. [5]
- (b) Explain briefly how employees can be retained. [5]
- (c) Explain briefly what policies *Dockport plc* needs to have in order to conform with the law. [5]
- (d) Involvement and participation is one way of reducing conflict in organisations. Identify and explain briefly what other changes might reduce the conflict in *Dockport plc*. [5]
[Total: 20]
- 3 (a) Fixed term contracts are becoming common in organisations. Identify and briefly explain **two** other types of employment contracts *Dockport plc* could use. [5]
- (b) Suggest **two** ways in which *Dockport plc* might go about improving recruitment and selection. [5]
- (c) Employment contracts should be ended fairly.
Describe how *Dockport plc* fails to do this. [5]
[Total: 15]
- 4 (a) Describe **two** systems of communicating and resolving problems. [5]
- (b) Using **one** system from (a) above, explain how it might be relevant to *Dockport plc*. [5]
- (c) Identify and explain **two** elements in systems of performance monitoring. [5]
- (d) Explain how developing competences might help monitor performance. [5]
[Total: 20]

5 Job satisfaction is often more important today than financial rewards.

(a) List **five** ways in which the 'nature of work' contributes to motivation. [5]

(b) Discuss **three** ways in which *Dockport plc* might improve conditions under which employees work [15]

[Total: 20]