

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

HUMAN RESOURCE MANAGEMENT

5165/01

Optional Module

October 2004

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 on both sides of the paper.
You may use a soft pencil for any diagrams, graphs, music 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]

OFFICE CLEANING DIRECT (OCD)

Office Cleaning Direct (OCD) was established in 1990 by Malvika, Dipika and Sukjinder. They had decided to use their own skills and make use of the large supply of unskilled labour, male and female, in their area to set up their own cleaning business. Malvika is in charge of the Human Resource Management (HRM) part of the company. Dipika negotiates the cleaning contracts and maintains them. Sukjinder deals with the finance, buying new materials every two weeks, paying the bills and the weekly wages. 5

As the company grew, Malvika was unable to manage all of the cleaners working at twelve different locations around the city on a shift pattern. The company decided to appoint supervisors, one for each group, who would be responsible for the daily management but who would refer to Malvika if any major issues arose. 10

This worked well except for one group, managed by Ajay. Malvika was concerned that a number of the workers had left for no reason, and without giving notice, and new names had replaced them without a formal interview or any paperwork. In fact, Malvika was not sure if some of these workers actually existed. All of this was strictly against company policy as all jobs were advertised and the candidates interviewed. Those appointed received a contract from Malvika. It was at about this time that she began to receive anonymous letters about the way OCD treated their workers, the old equipment the employees had to work with and the poor wages that OCD paid. Malvika was surprised by the letters as she had always paid above the minimum wage and stuck rigidly to employment laws. 15

The final factor was when Dipika received complaints from the company whose offices were being cleaned by Ajay's team. In order to find out why there were problems, it was decided that Dipesh, Malvika's younger brother, would join Ajay's team as a new employee and report back to Malvika. 20

Dipesh arrived on his first day and reported to Ajay, who provided him with cleaning materials which were extremely old and dirty, and told him where to clean and how long it should take. Dipesh asked about training and induction but was told that it was not needed. Whilst Dipesh was standing in the office, another young male came in and asked Ajay for a job. Ajay asked him if he had any experience and he claimed that he had. Ajay appointed him on the spot but warned him that he would not have a contract and the wage rate was below the minimum wage. Ajay told the new employee that if he caused any problems, he would be sacked instantly and not receive any money. He was also told that if he had any problems, Ajay was not interested. Ajay was quite an aggressive person and it was obvious that all of the workers standing outside of the office were frightened of him. Both Dipesh and his new colleague were told by Ajay to do the job as quickly as possible and then find somewhere to hide until the end of their shift. 25 30

The next day Dipesh reported all of these events to his sister Malvika. She contacted Ajay and asked him to see her in her office. When Ajay arrived she confronted him with the facts that she knew. At this point Ajay began to admit that he had been taking money out of the workers pay packets and selling the new materials provided. He also admitted that some of the employees he claimed money for did not actually exist. At this point Malvika had no choice but to dismiss him. 35

You must attempt ALL of the following tasks.

- 1 (a) List **four** purposes of Human Resource Management. [4]
- (b) Using examples from OCD (Office Cleaning Direct), explain why organisations must manage people effectively and efficiently. [6]
- (c) Explain how OCD changed its approach to HRM as it grew in size, and describe how the responsibilities were divided. [10]
- [Total: 20]**
- 2 (a) List **four** features of the employment market. [4]
- (b) Explain how a worker in Ajay's team might benefit from being a member of a trade union. [6]
- (c) Explain what aspects of employment law it is important for a company such as OCD to follow. [10]
- [Total: 20]**
- 3 (a) List **four** types of employment contract. [4]
- (b) Describe the correct process Ajay should have used for ending an employee's contract. [6]
- (c) Describe the recruitment and selection process that OCD should have used to recruit more workers. [10]
- [Total: 20]**
- 4 (a) List **four** ways of organising working patterns. [4]
- (b) Explain how a shift system of working might operate for OCD. [6]
- (c) Ajay was not prepared to listen to or discuss problems. Describe the system that should have operated for resolving problems. [10]
- [Total: 20]**
- 5 (a) List **four** methods of payment. [4]
- (b) Explain which method of payment would be the most appropriate for the workers of OCD. [6]
- (c) Describe a training plan that Ajay should have used for all of his new workers. [10]
- [Total: 20]**

