

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

HUMAN RESOURCE MANAGEMENT

5165/01

Optional Module

October 2005

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.
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 that follow.

[The following case study is fictitious]

Techno Equipment Ltd (TEL)

Techno Equipment Ltd (TEL) produces digital cameras, DVD and CD players. It is an extremely successful company benefiting from the world-wide growth of modern technology. However the success of the company does produce a number of problems. Firstly, the changes in technology are rapid and this creates a constant need for new skills. This means that no single worker can be assured a career in any particular area of work. Workers need to continually learn and develop new skills throughout their working life in the industry. This is the true concept of lifelong learning. 5

The second problem is that once the male workers are fully trained on the job and gain the necessary qualifications, they tend to resign and start their own business. This is not true of the female workers and because of this, TEL clearly breaks the equal opportunities legislation by favouring females in its recruitment and selection process. The recruitment materials such as job descriptions and person specifications favour women. Even the media used is chosen because it has a mainly female market. The selection tests and interviews are designed to select females in preference to males. On many occasions female employees are offered money to leave other companies and work for TEL. 10

The situation is made worse by the fact that the local labour market consists mainly of males aged between 18 and 25 years old and with a strong tradition of self-employment. Also male workers only wish to work on a full-time basis and TEL prefers to use part-time female workers because it can ignore the normal employment and Health and Safety laws. Many contracts of the male staff are terminated by mutual consent because these workers feel that they are unfairly treated. They also feel that to go through a grievance procedure would be a waste of time. 15 20

Females are allowed to work on a flexitime basis, but the males are required to work shifts, particularly night shifts. Females receive a fixed wage, often with an annual bonus but the males are paid on a piece-work basis. Strangely, although all employees receive good induction training, it is the male employees who are given the most off-the job training and the greater recognition for their work. All of the responsibility is given to male employees, which creates problems with such rapid turnover. 25

The Human Resource Management (HRM) section at TEL believes that the management is obstructing their role. The purpose of HRM to provide the right mix of skills, and to control the costs of wages, salaries and the admin costs, are all being ignored in order to recruit and keep more female workers, who better suit the style and flexibility of the company. This means that the HRM function is not creating and maintaining relationships with a large number of the workforce, and this leads to tensions between the workers. In addition, other companies are becoming more and more annoyed with TEL and its recruitment tactics. 30

The HRM section suggested that all HRM issues should be centralised and that the present decentralised system is scrapped. In this way they hope that they can bring back a company appraisal system, along with targets and standards so that all employees are treated equally and decisions are based upon people's ability rather than their gender. 35

The idea is not popular with the senior management team, who decide that they will ignore the proposal. They cannot see anything wrong with the way that the company is operating, and point to the success and profits of the company as evidence of this. 40

You must attempt ALL of the following tasks.

- 1 (a) Define the meaning of HRM. [4]
(b) Explain the difference between centralised and decentralised HRM. [6]
(c) Explain why HRM at TEL is both ineffective and inefficient. [10]
[Total: 20]
- 2 (a) List **four** features of the employment market faced by TEL. [4]
(b) Describe **two** aspects of the legal environment that TEL fails to follow. [6]
(c) Explain how changes in technology are influencing the HRM at TEL. [10]
[Total: 20]
- 3 (a) List **four** elements of the selection process. [4]
(b) Describe **two** ways that employees currently leave the employment of TEL. [6]
(c) Explain the difference between the selection and recruitment processes. [10]
[Total: 20]
- 4 (a) List **four** methods or systems for communicating and resolving problems. [4]
(b) Describe **two** ways that work is organised at TEL. [6]
(c) Explain how the grievance procedure at TEL should operate. [10]
[Total: 20]
- 5 (a) List **four** methods of payment. [4]
(b) Describe **two** factors that may help the motivation of the male employees at TEL. [6]
(c) Explain the main features of training and development at TEL. [10]
[Total: 20]

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