



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

HUMAN RESOURCE MANAGEMENT

5165/01

Optional Module

October 2007

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 pages.



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

(The following case study is fictitious.)

CITYCARS (CCA)

CityCars is a family business that produces kits that can be assembled into small cars for use in congested cities. The company also assembles the parts, if the customer asks them to, and sells the completed product for twice the price of the kit.

The company is owned by Nitin Hayer. It is small and employs 30 people, who are all personally known by Nitin, but no one has a legal contract of employment. Nitin deals with everything; he takes the orders, purchases the raw materials and machinery, hires staff, calculates and pays the wages, and makes all of the necessary decisions. 5

If any problems arise with the workforce, they are all dealt with informally after negotiation between the person concerned and Nitin. Nitin does not encourage anyone to join a trade union because he does not see the point. Nitin is also aware that he is not fulfilling some aspects of the Health and Safety legislation. Nitin understands that Human Resource Management (HRM) is a process concerned with creating and maintaining relationships between staff and between organisations. 10

In August two very complimentary articles about CityCars appeared in a national newspaper and suddenly they had large orders for their products. Nitin had to decide whether to remain as they were and create a waiting list for their products, or take on more workers and sell more kits. He chose to expand and has decided to recruit 25 more workers. The local labour market has a large number of young, under 21 years old, unemployed males who want full-time work. There are very few looking for part-time work and those that do are female and much older, over 50 years of age. All of the workers tend to be semi-skilled. In order to find the workers, Nitin has placed an advert in the local newspaper. 15 20

In response to the advert, he has received a large number of telephone calls. However, the majority require more information before they are prepared to attend an interview. Some of the questions asked are about the job description and person specification, hours to be worked, the rate of pay and fringe benefits and the type of contract available. The callers want to know whether the job is permanent or temporary and what training is provided. The callers ask about equal opportunities and health and safety at the factory. Nitin did not expect to have this type of question, which he can't answer, because job descriptions do not exist and he usually ignores equal opportunities. He had originally planned to ask people in for an interview and make a decision based upon the interview. The actual response changes everything and Nitin has decided to hold a meeting with the current workers to discuss the situation. 25 30

The meeting proves to be very different to what Nitin had expected. The workers have formed themselves into an informal trade union and want to discuss a number of issues. The workers have been unhappy for a long time. They feel that Nitin ignores their complaints and that they have no job security as there are no formal contracts. They also think that with only a basic wage they are not properly rewarded for their efforts. In addition to these points they believe that Nitin has no real idea of how well or how poorly each individual performs. There is no appraisal system, no targets or standards. Their training needs have been neglected and many of the technical advances in the industry have been ignored, leaving the workers without the right skills for some of the jobs. They have produced a list of issues that they wish to be discussed formally at another meeting. They are worried that if further workers are recruited they will be dismissed or made redundant. 35 40

You must attempt all of the following tasks.

- 1 (a) List **four** elements of the meaning of Human Resource Management (HRM) as understood by Nitin. [4 x 1 = 4]
- (b) Explain **two** purposes of HRM. [2 x 3 = 6]
- (c) Describe the approach taken by Nitin to the management of human resources. [10]
- [Total: 20]
- 2 (a) List **four** features of the local labour market. [4 x 1 = 4]
- (b) Identify **two** changes CityCars might need to make if they are to conform to the correct legal environment for HRM. [2 x 3 = 6]
- (c) Describe the functions that a trade union could perform to improve the working environment at CityCars. [10]
- [Total: 20]
- 3 (a) List **four** elements of the recruitment process. [4 x 1 = 4]
- (b) Explain **two** elements of the selection process. [2 x 3 = 6]
- (c) Explain the different ways in which a worker's employment at CityCars could end. [10]
- [Total: 20]
- 4 (a) List **four** methods of measuring and monitoring a worker's performance. [4 x 1 = 4]
- (b) Explain how **two** methods of measuring and monitoring a worker's performance might operate at CityCars. [2 x 3 = 6]
- (c) Discuss the different methods that might be used to resolve the conflict at CityCars. [10]
- [Total: 20]
- 5 (a) List **four** fringe benefits that CityCars could use. [4 x 1 = 4]
- (b) Describe **two** different methods of payment and reward that CityCars could use. [2 x 3 = 6]
- (c) Describe the different types of training that would help the workers at CityCars. [10]
- [Total: 20]

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