

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge International Diploma Standard Level

MARK SCHEME for the October 2010 question paper
for the guidance of teachers

CAMBRIDGE INTERNATIONAL DIPLOMA IN BUSINESS
5165 Human Resource Management, maximum mark 100

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes must be read in conjunction with the question papers and the report on the examination.

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- 1 (a) List *four* purposes of Human Resource Management (HRM). [4 × 1 = 4]

Control the cost of wages; control the cost of salaries; control the cost of admin; control the social costs; having the right mix of staff; the ability to react to change.

- (b) Explain the meaning of HRM. [6]

Level 1 (0–4 marks)

The candidate will produce a generalised meaning or the exact meaning with two or more mistakes/errors/omissions. ***“A process for creating and maintaining relationships between people who work for and with them,”*** – exact quote is worth 4 marks.

Level 2 (5–6 marks)

The candidate will produce an exact meaning or quote and include ***“and between organisations”*** with a maximum of one mistake.

- (c) Explain the approach that PG intends to take to manage its Human Resources (HR). [10]

Level 1 (0–4 marks)

The candidate will refer to ***“a central HR department but to give each separate department with the company some limited responsibility for HR such as discipline and grievance. However, the main features such as recruitment and HR planning will be centralised.”*** – exact quote is worth 4 marks.

Level 2 (5–8 marks)

The candidate will produce a level 1 answer and also comment on the actions that Javeed intends to take – redundancy, changing contracts, setting up of committees. Alternatively a very general view of the HR will be produced that has errors and omissions.

Level 3 (9–10 marks)

The candidate will produce a level 2 answer but will correctly explain the situation and correctly use the terms ***centralised & decentralised with reference to the implications for PG.***

- 2 (a) List *four* laws that PG broke before it was taken over by Javeed. [4 × 1 = 4]

Health and Safety; Minimum wage; Equal opportunities; and Maternity laws.

- (b) Explain what problems PG might encounter due to the local labour market. [6]

Level 1 (0–4 marks)

The candidate will explain the local labour with errors/omissions or correctly without answering the question. ***“young, extremely mobile, move between jobs quite frequently”*** – exact quote is worth 4 marks.

Level 2 (5–6 marks)

The candidate will correctly explain the local labour market and **must show this will affect PG** – hence they will have a high labour turnover with all the problems this brings.

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- (c) Explain how the rapid growth in technology will affect the employees of PG. [10]

Level 1 (0–4 marks)

The candidate will make a general point about how rapidly technology is changing and growing. They may discuss the need for new skills.

Level 2 (5–8 marks)

The candidate will produce a level 1 answer but will also refer to the need for constant training, more able candidates will explain this in more detail and make reference to updating and avoiding redundancy.

Level 3 (9–10 marks)

The candidate will produce a level 2 answer but with specific reference to PG and its products. Reference to Javeed's brother's plans will need to be made to achieve the top mark.

- 3 (a) List *four* types of contract that PG have used in the past *and* will use in the future. [4 × 1 = 4]

Permanent; full time; part time; fixed term; and job specific contracts.

- (b) Explain how flexitime would work at PG. [6]

Level 1 (0–4 marks)

The candidate will produce a general description of how flexitime operates. The quality of the explanation will determine the marks awarded in this band.

Level 2 (5–6 marks)

The candidate will accurately explain how flexitime operates with clear reference to PG.

- (c) Explain the difference between redundancy and dismissal. [10]

Level 1 (0–4 marks)

The candidate will explain one of the two ways in which employment can end. Alternatively both will be explained but with many errors and omissions. Redundancy as a means of reducing costs will only earn 1 mark.

Level 2 (5–8 marks)

The candidate will produce an accurate description each term for 5 marks – *dismissal via poor performance, disciplinary breaking rules, about the person; redundancy due to the disappearance of the job, not about the person.*

Higher marks will be awarded where the candidate explains the relevant procedures involved.

Level 3 (9–10 marks)

The candidate will produce a level 2 answer and will make reference to PG and the comment on **natural wastage**.

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- 4 (a) List *four* systems that PG could use to improve communications. [4 × 1 = 4]

Worker directors; a Health and Safety committee; a Consultation committee; a Social committee; a Works Council.

- (b) Explain how targets could be used to monitor the performance of the workers at PG. [6]

Level 1 (0–4 marks)

The candidate will attempt to describe targets. *“This could be linked to a series of targets that could be monitored and assessed every six months. In this way not everyone would receive a bonus.”* – exact quote is worth 4 marks.

Level 2 (5–6 marks)

The candidate will use the information from the case but link this to PG including a reference to the **motivation** of workers.

- (c) Explain how Total Quality Management might operate for the software division of PG. [10]

Level 1 (0–4 marks)

The candidate will attempt to explain the concept of Total Quality Management (TQM), there will be many errors and omissions.

Level 2 (5–8 marks)

The candidate will clearly understand the concept of TQM but will not link this to PG or will make a poor/inaccurate attempt to link this to PG. **TQM aims to ensure a quality product is produced by avoiding problems before they happen. Manufacturing is investigated at every stage by the people involved in the process. Quality chains are important. Examples of the manufacture of computer hardware and software could be used.**

Level 3 (9–10 marks)

The candidate will produce a level 2 answer but will use PG to show how TQM will work, at the top of this band there will be clear and accurate examples.

- 5 (a) List *four* ‘fringe benefits’ used by PG. [4 × 1 = 4]

Cheap loans, subsidised meals, free healthcare, discounts on company products

- (b) Explain *why* a company such as PG might use fringe benefits. [6]

Level 1 (0–4 marks)

The candidate will list the fringe benefits available or explain that they are instead of money. They may briefly discuss the fact that benefits can motivate staff, comments based on loyalty will only achieve 2 marks.

Level 2 (5–6 marks)

The candidate will clearly make the point that benefits are **motivators** and often a **cheaper** alternative than offering more money. Many benefits are non-taxable.

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- (c) Explain why Javeed's brother thinks that a fixed wage rate with a bonus system would be cheaper than a fixed wage rate plus a share scheme. [10]

Level 1 (0–4 marks)

The candidate will explain or attempt to explain both proposals but will not answer the question.

Level 2 (5–8 marks)

The candidate will understand that rewards from a share scheme are based on company performance – **everyone benefits if the company makes a profit** – but a bonus scheme applies to individuals and **not everyone will necessarily get the bonus**. Higher marks will be awarded where candidates comment that share schemes will reduce profit but bonus schemes are likely to increase profit.

Level 3 (9–10 marks)

The candidate will understand both proposals and may suggest that a bonus scheme is cheaper to operate than a share scheme or the bonus could be low.