



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

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**HUMAN RESOURCE MANAGEMENT**

**5165/01**

Optional Module

**October 2012**

**2 hours plus 15 minutes' reading time**

Additional Materials: Answer Booklet/Paper

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**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

\* 3 1 2 7 2 9 1 6 0 4 \*

This document consists of **3** printed pages and **1** blank page.

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

(This case study is fictitious.)

### **ENY Bank**

ENY Bank was established in 1927 and is currently the largest bank operating in the country. It has a well organised Human Resource Management (HRM) department and recognises that managing the HRM function is very important in the banking industry. All matters relating to HRM are dealt with at Head Office in order to fulfill the purposes of HRM. Head Office control is strict at ENY Bank due to the financial nature of the work and the need to protect investors' funds. 5

The employees at ENY Bank are young, and well-qualified, working on full-time permanent contracts. The technology used in the bank is constantly changing and employees have to be capable of adapting to all changes. Whilst most employees are content with their working conditions, a number of female employees have asked that conditions be made more suitable for the needs of female staff. Suggestions include improved opportunities for promotion, entitlement to time off when pregnant, and more flexible hours to suit mothers with young children. 10

The increasing use of 24 hour online banking by customers has meant that ENY Bank has had to reconsider the types of contract and working patterns offered to employees. Alternative work patterns need to recognise that more flexible hours suit mothers with young children but that young male employees prefer day work. The increased complexity of the technology used in banking will result in changes to the size of the workforce. Some employees will leave of their own accord, some of the jobs will no longer exist, some employees will not be competent in using the new systems, and others are on fixed term contracts. 15

In order to ensure that any changes introduced are effective, ENY Bank is considering ways of improving communications with their employees at local branch level. Other procedures for resolving problems are also necessary as employees claim that the treatment of complaints from or about staff is not consistent, and that different branch managers deal with complaints in their own way. The branch managers feel that for their decisions to be more consistent each employee should have a clear understanding of what standards they should achieve in their job. This would require the use of specified targets and key competencies, which could then be monitored through regular meetings between the branch manager and individual employees. 20 25

ENY Bank is keen to reduce staff turnover as it is very expensive to train new employees. Employees are given incentives such as cheap loans, discounts on holidays, free healthcare and discounts on bank products. ENY Bank also try to ensure that employees enjoy the job satisfaction from the work, the relationships with other colleagues and the levels of responsibility given to them by managers. Higher salaries are paid to more capable staff and all staff will receive extra payments if monthly targets are met. An annual bonus is given to enable employees to benefit if the ENY Bank has made a good profit for the year. 30

**You must attempt ALL of the following tasks.**

**Where appropriate use the information from the case study to support your answer.**

- 1 (a) Define the meaning of Human Resource Management (HRM). [4]  
 (b) Explain the approach that ENY Bank is using to manage its human resources. [6]  
 (c) Explain how ENY Bank is fulfilling the purposes of HRM. [10]  
**[Total: 20]**
- 2 (a) List **four** features of the employment market that ENY Bank is recruiting from. [4 x 1 = 4]  
 (b) Explain how the rapid growth in technology is affecting the employees of ENY Bank. [6]  
 (c) Explain how the bank might improve working conditions to satisfy the female staff and respond to the demands of the legal environment. [10]  
**[Total: 20]**
- 3 (a) List **four** types of contract that ENY Bank could use for new staff [4 x 1 = 4]  
 (b) Explain the different working patterns that ENY Bank could use to satisfy the needs of all employees [6]  
 (c) Explain the methods which ENY Bank can use to end the contracts of employees [10]  
**[Total: 20]**
- 4 (a) List **four** systems that ENY Bank could use to improve communications. [4 x 1 = 4]  
 (b) Explain which systems could be used for resolving problems at ENY Bank. [6]  
 (c) Explain how ENY Bank could measure and monitor the performance of its employees. [10]  
**[Total: 20]**
- 5 (a) List **four** 'fringe benefits' used by ENY Bank. [4 x 1 = 4]  
 (b) Explain how the nature of work at ENY Bank contributes to employee motivation. [6]  
 (c) Explain the different methods of payment that ENY Bank uses to motivate staff. [10]  
**[Total: 20]**

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