



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

HUMAN RESOURCE MANAGEMENT

5165/01

Optional Module

October 2013

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 page.



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

(This case study is fictitious.)

MANOIL

Manuel is a highly qualified engineer who has developed a successful business designing and developing tools and equipment for use in the oil exploration industry. This business, Manuel Oil (MANOIL), currently employs 15 people, most of whom are also very skilled engineers. Manuel has recently negotiated a contract to work exclusively for one of the global oil companies, Shelltex. This contract will result in rapid growth in MANOIL but also mean that Manuel will have to accept all of the global oil company's (Shelltex) procedures, including those relating to Human Resource Management (HRM). 5

Manuel is currently responsible for all of the HR function at MANOIL but this is very informal and no procedures exist. Manuel thinks that HRM relates to recruitment of staff and nothing else. The new contract requires him to establish proper procedures and devise company statements to show that MANOIL will be committed to the meaning, purpose and organisation of HRM. Shelltex have offered to manage MANOIL's HR function as part of its own HRM department but this will mean centralising the function. 10

MANOIL has only been in existence for three years but there has already been significant technological change in the area in which MANOIL operate. Most of Manuel's skilled workers were his friends and classmates at university and Manuel has tried to retain the same working environment as they had at university. Recently one of his employees had an accident at work. As a result of this, Manuel has been advised by Shelltex that he needs to be more aware of the legal environment in the workplace and ask for advice from external organisations relating to HRM issues. 15 20

Manuel recruited the current workforce by simply telephoning them after they had finished their university course and offering them a job. None of the employees have been given a contract of employment. One of the employees has shown very little commitment to the work and Manuel now realises it was a mistake to employ him. MANOIL will be expected to have a suitable selection and dismissal procedure. He should also ensure that all employees have formal contracts. 25

As MANOIL is still only a small company, Manuel is able to monitor what each employee is doing on a daily basis and discuss progress individually. The new contract will mean that MANOIL is expected to expand rapidly and there could be over 100 employees by the end of the year. Consequently Manuel will need to consider how he will be able to communicate effectively with this number of employees and how he can measure and monitor their performance. Shelltex already use Total Quality Management and have suggested that MANOIL should also adopt this approach. 30

Motivation has not been a problem for MANOIL as all of the employees are old friends. Once the company expands, this will no longer be the case and Shelltex has suggested that MANOIL may need to consider offering workers some fringe benefits to encourage higher productivity. As the technology in the industry is changing so quickly, MANOIL will also have to consider how it will train workers in the future. 35

You must attempt ALL of the following tasks.

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

- 1 (a) State the meaning of Human Resource Management (HRM). [4 x 1 = 4]
 (b) Explain how the purpose of HRM is related to MANOIL. [6]
 (c) Explain the centralised and decentralised approaches to HRM with reference to MANOIL. [10]
[Total: 20]
- 2 (a) List **four** influences of technical change on the HRM function. [4 x 1 = 4]
 (b) Explain which external organisations could help MANOIL and explain what services they could provide. [6]
 (c) Describe aspects of the legal environment which affect staff at MANOIL. [10]
[Total: 20]
- 3 (a) List **four** elements of the selection process. [4 x 1 = 4]
 (b) Explain how MANOIL can end contracts of employment. [6]
 (c) Describe the different types of employment contracts that MANOIL could use. [10]
[Total: 20]
- 4 (a) List **four** systems that MANOIL could use to improve communications. [4 x 1 = 4]
 (b) Explain how organisations measure and monitor people's performance at work. [6]
 (c) Describe how initiatives such as Total Quality Management could help MANOIL. [10]
[Total: 20]
- 5 (a) List **four** 'fringe benefits' that MANOIL could use. [4 x 1 = 4]
 (b) Explain the main features of methods for training and development. [6]
 (c) Describe how the nature of work contributes to motivation at MANOIL. [10]
[Total: 20]

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