

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

HUMAN RESOURCE MANAGEMENT

5175/01

Optional Module

May 2006

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.]

Z.K. AUTOMOTIVE (ZKA)

Z.K. Automotives (ZKA) closed the gates of each of its four factories for the final time last month, and nobody was surprised. ZKA made top quality parts for car engines and had no problems selling its products. However, whilst their products were of excellent quality, the company could not be relied upon to deliver the quantity required on time and to the right location. This was due almost entirely to poor Human Resource Management (HRM) policies and practices. 5

HRM at ZKA had not been developed in the same way that it had at other companies in the industry. In the other companies it was seen as a workforce-centred activity, a welfare activity and as a means of mediation between the workers and the company. At ZKA it was this lack of mediation that led to so many disputes and strikes, which ultimately delayed the delivery of the parts it produced. 10

A problem with the HRM was that it was decentralised, and each individual factory followed its own policies and practices. The different specialist roles in HRM, such as employee relations, were the responsibility of the individual factory managers, who had little understanding of HRM. The trade unions were very strong in each of the four factories and had tried to negotiate for a more centralised Human Resource (HR) system for the company and fairer treatment for the workers. Their requests were ignored by each of the managers and the disputes and stoppages continued for a number of different reasons. 15

Firstly, staff were recruited across the four factories in a very informal manner. Job descriptions, person specifications and application forms were not often used. Managers would simply interview suitable employees and then appoint them with total disregard for equal opportunities legislation. The new employees would form a new project team or product group to replace or work alongside the already established task groups. This created a confusing mixture of functional and product based groups. Frequently the new workers would replace workers who had been dismissed for poor timekeeping, absenteeism, a poor health and safety record or simply because they had failed to keep up-to-date with the latest technology within the industry. 20 25

Secondly, the workforce did not have any access to an appraisal system. They felt that they were undervalued and had no access to proper training or the opportunity to express their views except through the trade union representative.

Thirdly, when workers were appointed there was no logic to the type or duration of contract they received. Some workers were given temporary contracts with shift working and piece rate payments; others were given permanent contracts with fringe benefits and payment based upon an hourly rate. 30

Lastly, the company gave no consideration to training. New employees received no induction training and were expected to be able to perform the tasks required of them without any on-the-job training or external tuition. As technology changed and the company introduced new machinery, each worker was expected to find and pay for their own training. If they did not arrange their own training and, as a consequence, they could not operate the new machines, they were sacked and replaced with someone who could. The idea of lifelong learning was non-existent. None of the managers had the responsibility for training and nobody except the workers cared. The only thing that mattered was production. 35 40

Although ZKA produced a good product, it was not a good place to work. The poor treatment of its workforce ultimately led to the closure of the company.

You must attempt ALL of the following tasks.

- 1 (a) ZKA has not used HRM to its best effect. Explain, providing **three** examples, how HRM has developed in other companies. [10]
- (b) Outline the benefits to ZKA of **two** different specialist roles in HR. [10]
[Total: 20]
- 2 (a) Explain the role of a trade union and describe how the union tried to change the situation at ZKA. [10]
- (b) Explain how ZKA could have minimised the impact of new technology on its workforce. [10]
[Total: 20]
- 3 (a) Explain the purpose of the following in the recruitment and selection process:
- (i) a job description; [4]
- (ii) a person specification; [3]
- (iii) an application form. [3]
- (b) Using examples from the case study explain the impact of poor HR planning. [10]
[Total: 20]
- 4 (a) Explain how an appraisal system may have helped the following:
- (i) the workers at ZKA; [5]
- (ii) the company. [5]
- (b) Explain **two** of the working structures used by ZKA. [10]
[Total: 20]
- 5 (a) Explain how the working conditions at ZKA might have influenced the motivation of the workers. [10]
- (b) Outline a training plan for ZKA which would ensure that the workers are kept up to date and output is at a maximum. [10]
[Total: 20]

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