



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

HUMAN RESOURCE MANAGEMENT

5175/01

Optional Module

May 2008

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 and attempt ALL the tasks which follow.

(The following case study is fictitious.)

HONG KONG AIRPORT EXPANSION HALTED

Work stopped this week on the construction of the new terminal at Hong Kong International Airport and the whole site has been closed down. This is due to the failure of the construction company to follow basic health and safety guidelines, resulting in two workers being seriously injured.

A team of investigators have been sent in and the picture that is emerging is one of chaos, with no notice taken of employment and safety laws. 5

The main construction company, ZKK Construction, has shown a total disregard for both the meaning and purpose of Human Resource Management (HRM). Relationships with its workers are non-existent, with everyone employed on short term temporary contracts of one month or less, or on contracts for specific tasks. Many of the workers lack the correct skills because they were not recruited or selected using any of the accepted practices. In fact, workers were hired by supervisors simply because they were available. This has led to increases in costs and the inability of the company to react to change. The increase in costs has in turn led to the workers on the building site taking short cuts and not following the basic health and safety regulations for construction. Staff turnover is high and there appears to be no job satisfaction. 10

ZKK Construction claims that the reason why they have not followed their usual recruitment and selection process is because the local population is mainly unskilled, and mostly over the age of 55. Its usual centralised approach has had to be abandoned in favour of a more local approach. 15

In response to this crisis ZKK has today appointed a company of HRM consultants. The consultants' brief is to:

- Analyse the current strengths and weaknesses of the company's HR planning 20
- Restate the recruitment purpose
- Produce a simple but effective selection process
- Establish new working patterns
- Set up a system to measure and monitor the workers' performance
- Establish two systems for communication and conflict resolution 25

ZKK has promised to implement all of the recommendations from the consultants. It is presently talking to the local trade unions to offer a reward system that encourages workers to focus on quality and not just output, and to follow the health and safety regulations. In addition, the company will offer training for those employees who wish or need to upgrade their skills. This will be done through continual professional development provided in-house and by using external trainers. 30

The Trade Unions see this as an opportunity to become involved with ZKK, when they had previously been excluded. Their priorities, apart from the financial rewards, are to establish a system of lifelong learning that does not make the employees redundant when the technology changes. In addition they are negotiating for a series of fringe benefits that include a fixed number of days' holiday, subsidised food, a contribution to health care by the company and some social activities. There is some resistance to these demands because of the nature of the industry. Construction is constantly on the move geographically and so some benefits might not be appropriate. Negotiations are continuing. 35

You must attempt ALL of the following tasks.

- 1 (a) Describe how ZKK has ignored the meaning of HRM. [5]
 (b) Describe how ZKK has ignored the purpose of HRM. [5]
 (c) Explain the problems that a company such as ZKK might face with a centralised approach to HRM. [10]
[Total: 20]
- 2 (a) Describe the main features of the local labour market. [5]
 (b) Describe how the features of the local labour market might create problems for ZKK. [5]
 (c) Explain the influence that the legal environment has had on the operations of ZKK. [10]
[Total: 20]
- 3 (a) Explain the purpose of the recruitment process. [5]
 (b) Describe an appropriate selection process for ZKK. [5]
 (c) Explain why ZKK's Human Resource planning is poor. [10]
[Total: 20]
- 4 (a) Recommend **two** working patterns that ZKK might use. [5]
 (b) Recommend **two** systems for measuring and evaluating the employees' work. [5]
 (c) Explain how a better communication and conflict resolution system might have avoided ZKK having their work stopped at the Hong Kong Airport. [10]
[Total: 20]
- 5 (a) Explain the concept of Lifelong Learning. [5]
 (b) Explain a payment system that could reward quality. [5]
 (c) Explain why a company such as ZKK might find it difficult to use fringe benefits to reward its employees. [10]
[Total: 20]

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