



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

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**HUMAN RESOURCE MANAGEMENT**

**5175/01**

Optional Module

**May 2013**

**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.

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This document consists of **4** printed pages.



**You must read the case study below and attempt ALL of the tasks which follow.**  
(This case study is fictitious.)

### **Sunny Boats Cruises**

Sunny Boats Cruises (SBC) runs a fleet of cruise ships running cruises to many different destinations around the world. The company is based in the United Kingdom but recruits its staff from various countries around the world. The main Human Resource Management (HRM) function is partly centralised at the Head Office but also has a decentralised approach as each ship has its own Human Resource section and officers. The Head Office is responsible for the strategic purpose of HRM while the HR section on each ship looks after the operational purpose. The mission statement for the company includes a statement relating to the meaning of HRM. 5

Each ship needs employees with a range of different skills; the officers are highly trained and experienced in management; the maintenance staff require technical skills to operate the ship; the catering staff are generally semi-skilled and housekeeping staff are unskilled. The Head Office uses agents operating locally in different countries to recruit staff. Officers are recruited in the United Kingdom; maintenance employees are mostly from Indonesia as there are many skilled staff in that region; catering staff are usually recruited from India and the housekeeping staff from Pakistan. The ship is registered in the UK and therefore has to follow UK laws relating to employment. 10 15

SBC analysed its own employment data over many years to identify strengths and weaknesses for various regions and specific jobs. It has been able to conclude which regions provided the most efficient employees for each type of work. It has also concluded that all levels of employment, except officers and maintenance staff, are best employed on temporary contracts usually lasting for 6-9 months. Recruitment and selection of employees is normally carried out by the local agents working to specifications prepared by SBC. SBC prepares job descriptions and person specifications for each type of job and these are then given to the local agents to ensure that only suitable people are recruited. 20

Work is organised differently for the three main work areas of Maintenance, Catering and Housekeeping. Different officers are appointed as managers at various levels for each work area. Information based systems exist to ensure that there is effective communication to all staff and a staff appraisal scheme is in operation. This is especially important for determining whether each employee will be offered contracts in the future. Employees who have demonstrated effective performance at work frequently get offered new contracts year after year. 25

The rates of pay and methods of reward vary according to the type of work being performed. SBC carefully monitors the pay and rewards offered by its competitors and other industries to ensure that it controls costs but also that it is still attractive to prospective employees. All of the different methods of payment and reward have been considered by SBC. The company now feels that it has devised a satisfactory combination of payments and fringe benefits that are well suited to the specific requirements of its employees. 30 35

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

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

- 1 (a) SBC has given careful consideration to the purpose of HRM.
- (i) Explain the operational and strategic purposes of HRM. [4]
- (ii) Give examples of both operational and strategic purposes that are relevant to SBC. [6]
- (b) SBC has used both the centralised and decentralised approaches to the management of its human resources.
- (i) Explain both the centralised and decentralised approaches. [4]
- (ii) Describe why SBC has decided to use both approaches. [6]
- [Total: 20]**
- 2 (a) SBC understands the significance of global employment markets.
- (i) Describe the features of employment markets. [4]
- (ii) Explain how SBC has analysed employment markets to ensure that it can obtain sufficient suitable employees. [6]
- (b) Explain why SBC uses other organisations, such as the local agents, to help recruit employees. [4]
- (c) Explain, using examples, how the laws relating to employment will affect what SBC offers and provides to its employees. [6]
- [Total: 20]**
- 3 (a) Describe the typical contents of a job description that SBC will have prepared for the recruitment process. [4]
- (b) Explain what historical employment data SBC will have reviewed when analysing its approach to human resource planning. [6]
- (c) (i) Describe **four** different types of employment contracts. [4 x 1 = 4]
- (ii) Explain why SBC only offers permanent contracts to officers and maintenance staff. [6]
- [Total: 20]**

- 4 (a) Explain **four** different working structures that SBC could use to organise work. [4 x 1 = 4]
- (b) Describe which information based systems would be most suitable for SBC employees while aboard ship during cruises. [4]
- (c) (i) Explain what is meant by the standards, targets, key accountabilities and key competences that are used for measuring and monitoring employees performance at work. [4 x 2 = 8]
- (ii) Give examples of **each** of the above that would be relevant to SBC employees. [4 x 1 = 4]
- [Total: 20]**

- 5 (a) The type and level of reward that SBC offers employees will be influenced by a number of factors.
- (i) Explain why SBC recruits staff from different countries. [4]
- (ii) Explain why some groups of employees will have greater bargaining strength. [6]
- (b) (i) Explain the different methods of financial payment that SBC could use. [4]
- (ii) Describe which fringe benefits would be suitable for SBC's employees on the cruise ships. [6]
- [Total: 20]**