



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

HUMAN RESOURCE MANAGEMENT

5175/01

Optional Module

May 2012

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.)

SMC & Co.

SMC & Co are a firm of lawyers providing legal services and advice in all areas of the law. The business is managed by senior partners who have many years of legal experience and management. Much of the work involves preparing cases and representing clients in court. The business has many branches across the country that operate independently from the Head Office in all matters except the marketing and financial functions which are organised and run from the Head Office. The senior partners in the business feel there may be some benefits if they were also to organise and run the human resource management (HRM) function from Head Office. The senior partners currently feel that the operational and strategic purpose of HRM has not been applied in the business as well as it could be. 5

Most of the lawyers employed at SMC & Co are very highly qualified females who are employed on permanent contracts. The majority of these employees are aged less than 30 years old, but staff turnover at SMC & Co is quite high as the female lawyers often leave after 5 to 10 years service to have children. As all of their employees are legal experts, SMC & Co have been obliged to ensure that they fulfill all of the legal requirements necessary for this type of employee, especially in areas relating to equal opportunities, health and safety, and maternity leave. 10 15

One of the branches of SMC & Co has just acquired a case involving a legal dispute related to the construction industry. This will require specialist legal staff for the duration of the case which is expected to last for 6 months. The branch does not currently employ anybody with the level of skill required. In another branch a female employee, Maria, is trying to form a trade union and has a reputation for constantly criticising the senior partners in management. Her branch manager is proposing to offer her a redundancy payment to force her to leave. 20

The senior partners are aware that employees in a number of branches have complained that there are no formal consultation and negotiation procedures at present. As they are so well educated the employees feel that they could offer the senior partners much assistance in running the business. On the other hand, the senior partners feel that they should have introduced a system for evaluating the performance of individual employees, in spite of the fact that they are so well qualified and highly paid. Each employee is allocated a number of legal cases which they then handle and manage with very little interference from managers. 25

One of the reasons why there are currently so few formal HRM procedures is that the employees are very highly motivated. This is because they generally become deeply involved in the complex issues of the legal cases that they deal with. Therefore they need minimal management or supervision. All employees are also aware that the legal environment is constantly changing because of new laws and procedures. They all expect to have regular retraining in order to remain up to date in their own area of legal expertise. 30

You must attempt ALL of the following tasks.

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

- 1 (a) Describe SMC & Co's current policy for implementing HRM **and** explain the possible benefits of the proposed changes. [10]
- (b) Explain how the operational and strategic purposes of HRM can contribute to SMC & Co. [10]
- [Total: 20]**
- 2 (a) Explain the significance of the main features of the employment market that SMC & Co operate in **and** illustrate how this affects HRM. [10]
- (b) Explain the key elements of the legal environment that specifically affect the type of employees in their business. [10]
- [Total: 20]**
- 3 (a) Evaluate which of the alternative types of employment contract would be best suited for the case involving the construction industry dispute. [10]
- (b) Explain which method would be most suitable for ending the contract of the employee Maria. [10]
- [Total: 20]**
- 4 (a) Explain how the various consultation and negotiation procedures could benefit the senior partners at SMC & Co. [10]
- (b) Explain how SMC & Co could assess the performance of its employees, considering the specific nature of the business. [10]
- [Total: 20]**
- 5 (a) Explain how the nature of the work is contributing to the motivation of the employees. [10]
- (b) Evaluate the different methods of training and development best suited to the needs of SMC & Co. [10]
- [Total: 20]**

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