

UNIVERSITY OF CAMBRIDGE LOCAL EXAMINATIONS SYNDICATE
CAMBRIDGE CAREER AWARD – ADVANCED LEVEL

BUSINESS

5175/1

Human resource management
Optional module

OCTOBER 2002

Additional materials:
Answer paper

TIME 2 hours plus 15 minutes reading time

INSTRUCTIONS TO CANDIDATES

Write your name, Centre number and candidate number in the spaces provided on the answer paper/booklet.

Attempt all tasks.

Write your answers on the separate answer paper provided.

If you use more than one sheet of paper, fasten the sheets together.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets [] at the end of each task or part task.

You may use a calculator.

This question paper consists of 3 printed pages and 1 blank page.

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

(The following case study is fictitious)

Case study - The New World Organisation (NWO)

The New World Organisation (NWO) is a travel company which has been run by traditional methods for a number of years. Founded in 1966, it began to trade by arranging exciting holidays for Europeans in the African continent.

It employed a small staff of European and African experts in game hunting, trekking, camping and safaris. Game hunting was a daily activity based on a central accommodation such as a hotel. A trek would involve moving about the area to see different sights and would be one or two days long, possibly over a distance of about eighty kilometres. It was sometimes combined with big game hunting, and always involving camping in tents or in the back of the Land Rovers used to travel. Safaris were in effect long treks. These would often take a week or more and cover two to three hundred kilometres, or even more, depending on the terrain.

As social and political change swept through the African continent in the 1960s and 1970s, it brought in new governments and new attitudes to the environment. NWO had to change. It adopted a policy of "Africans-first" and a number of European staff left and were replaced by local people. Furthermore, the banning of ivory trading and the conservation of animal life in game parks restricted the safaris, which had to be approved by local governments.

All these changes forced the management to become more politically aware and more able to negotiate with powerful leaders. This made the management of NWO more sophisticated and required training in diplomacy and negotiation skills. Also, the staff needed to be better bureaucrats and more technically adept in order to avoid breaking the various new rules designed to protect the environment. This meant performance management was essential and some staff had to be dismissed for consistently making errors, such as not achieving authorisation for safaris from the local governments' administration.

Recently, competition in the safari and travel market in Africa has meant that NWO has begun to adapt. Technology has been introduced to establish a competitive edge, such as experts on hire to create excellent souvenir photography, and videos/ DVDs of treks and safaris have been on offer to high-fee customers such as large companies involved in the corporate entertainment of clients.

NWO sought to introduce more modern approaches to managing its staff as labour turnover has increased, due to the pressures on staff to conform to new standards and to re-train. In order to retain and motivate its staff, and to secure turnover and market share, NWO is introducing performance related pay, training and development and other policies. Also, as older, more experienced members of staff face retirement, succession planning is becoming important, involving the promotion of good employees with the new skills.

In addition, the local governments have been aware of unrest in the labour market caused by competition and have decided to adopt policies designed to promote skills and equality within the employment market and security of employment after appointment, making it difficult for NWO to adapt its staff needs to seasonal fluctuations. NWO has therefore decided to adopt a strategic approach to Human Resource Management.

You must attempt all of the following tasks.

- 1 (a) Discuss the features of **operational** HRM as they affect NWO. [8]
 (b) Discuss the features of **strategic** HRM as they affect NWO. [12]
[Total: 20]
- 2 (a) Describe ways the state (local and national governments) might influence the employment market through legislation. [15]
 (b) Identify and explain the effect of legislation on NWO. [5]
[Total: 20]
- 3 (a) Describe **two** general effects of competition on HR policies at NWO. [5]
 (b) Describe and explain **five** changes in NWO's HR policies caused by either competitive or political pressures. [15]
[Total: 20]
- 4 (a) Describe **three** different types of employment contracts available to NWO. [10]
 (b) Explain how NWO can terminate each of the types of contracts identified in (a) above. [10]
[Total: 20]
- 5 (a) Explain why NWO needs to monitor the performance of its staff. [5]
 (b) Explain how NWO can measure and monitor performance. [10]
 (c) List **five** ways in which NWO can increase staff motivation. [5]
[Total: 20]