



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

HUMAN RESOURCE MANAGEMENT

5175/01

Optional Module

October 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 **4** printed pages.



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

(The case study is fictitious.)

THE HCC HOTEL, BEIJING (HCCB)

The internationally renowned hotel chain, HCC, has recently received yet another award for its flagship hotel in Beijing. The prestigious 'HRM 5 Star' award is only given to those institutions who can demonstrate that they have model Human Resource Management (HRM) practices that operate on a consistent basis. The HCC Hotel, Beijing, (HCCB) is the first hotel outside of Europe to be given this honour. The judges produced the following comments on the hotel: 5

- The management of the HCCB clearly understand the distinction between the operational and strategic purpose of HRM. There is a clear commitment to deploying the right mix of skills, knowledge and experience, controlling the costs of employment and maintaining systems for motivation and conflict resolution.
- HRM has more than an operational or strategic purpose at HCCB. It is in the truest sense a welfare and work-force centred activity, mediating between the organisation and the people it employs and supplying the organisation with the type of resource it needs to operate at the highest level. 10
- The fact that the HCCB has worked closely with the local trade unions has meant that it is a model employer, paying well above the minimum wage, protecting the rights of the employees, ensuring equal opportunities exist and following all of the Health and Safety laws. 15
- HCCB has fully utilised the new technology within the industry and encourages its entire staff to continually develop their skills and knowledge via regular in-house training that is open to everyone. The high levels of unemployment for the local population which is predominantly male, semi-skilled and in the 20-30 age range, means that the staff are enthusiastic to learn new skills and avoid redundancy. 20
- An analysis of the strengths and weaknesses of HCCB shows a very low turnover of employees and an excellent attendance rate. All of this is due, we feel, to the fact that it is company policy to employ staff on permanent contracts, both full-time and part-time, and not use temporary contracts. Contracting out to employment agencies is only used for additional staff required for large functions. 25

Finally, the panel were extremely impressed by the fact that staff only leave HCCB due to retirement. In the time that it has been operating no member of staff has been dismissed or resigned. This is due to the excellent systems that exist for both communication and conflict resolution. All staff have a weekly briefing as well as a weekly newsletter and a staff survey is conducted every 3 months. The works council meets on a monthly basis and elected workers sit on the local board of directors. 30

The only criticism that the judges could find was the fact that HCCB do not have a formal appraisal system. They have team targets with the working structures based on functional groups such as housekeeping, room service etc, but individual appraisals and targets are non-existent. 35

The management of HCCB claim that this is not necessary due to the self motivation of its staff. The staff receive a number of valuable fringe benefits such as half price accommodation in any of the HCC hotels across the world, free meals when working, free health care and social facilities.

40

The staff surveys show that job satisfaction is high. The main reasons for this are:

- the good working conditions
- the leadership style
- levels of recognition
- high level of wages, based on the company's structure around the world (not on the market conditions in Beijing) and the training and qualifications of the individual.

The waiting list of people wanting to work for this model employer continues to grow as a result of this new award.

You must attempt ALL of the following tasks.

- 1 (a) Briefly explain the operational purpose of Human Resource Management (HRM). [5]
 (b) Briefly explain the strategic purpose of HRM. [5]
 (c) Using examples from the case study explain how the development of HRM generally has been reflected in the practices at the HCC Hotel, Beijing (HCCB). [10]
[Total: 20]
- 2 (a) Explain the link between technical change and redundancy. [5]
 (b) Describe the main characteristics of the local population in Beijing. [5]
 (c) Explain how the trade unions may have influenced the HRM at HCCB. [10]
[Total: 20]
- 3 (a) Describe the different contracts used by HCCB. [5]
 (b) Explain how contracts of employment end at HCCB. [5]
 (c) Explain the strengths and weaknesses of Human Resource planning at HCCB. [10]
[Total: 20]
- 4 (a) Explain the working structures at HCCB. [5]
 (b) Briefly explain how an appraisal system might work at HCCB. [5]
 (c) Evaluate the different communication and conflict resolution systems at HCCB. [10]
[Total: 20]
- 5 (a) Explain how the nature of work contributes to staff motivation at HCCB. [5]
 (b) Explain the different fringe benefits used by HCCB. [5]
 (c) Explain how HCCB decide on the level of reward they pay their employees. [10]
[Total: 20]

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