



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

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**HUMAN RESOURCE MANAGEMENT**

**5175/01**

Optional Module

**October 2010**

**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 **3** printed pages and **1** blank page.



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

(The case study is fictitious.)

### **THE CHENG STADIUM & ABZ CONSTRUCTION**

Work stopped this week on the Cheng Stadium, reported to be the largest athletics and football stadium in the world. The workers refused to continue with the building of the stadium until the management of ABZ Construction had met with their trade union representatives.

The problem appears to be the fact that each worker only has a contract that is renegotiated every month, despite the fact that the whole project is expected to last for 2 years or more. This leaves the workers with very few rights and no job security. Also, workers are hired and fired in a random manner, not just because their contract has ended. The wages that are paid are at the minimum level required by the law of the country, with no payments for overtime or sickness and no fringe benefits. The communication between the workers and the management is minimal. There are a number of committees but workers are not allowed to serve on any of them and no information is fed back from any of these committees. This has led to many workers leaving the company. 5 10

The union bargaining position is quite simple; they want each worker to be paid at a rate that rewards the workers for their skills and qualifications, based on the market conditions. They know that the supply of construction workers at the present time is low and so the workers on the project have skills that are in high demand throughout the country. 15

They also want overtime to be paid at a higher rate and workers to receive sick pay when they are too ill to work. Contracts should be for the duration of the project or the duration of a particular phase within the construction process.

The union is very critical of the Human Resource Management (HRM) of ABZ construction, accusing them of concentrating on the purpose and not the meaning of HRM. They are also critical of the failure of the HR department to mediate and, most importantly, their failure to plan the company Human Resource (HR) needs. They point to the fact that often workers are dismissed because they are not needed but are then hired two or three months later. 20

ABZ believe that the criticisms are unfounded. Workers are paid the minimum wage but in the region of the Cheng Stadium, workers are plentiful and the level of skill required is quite low. ABZ dispute that they do not understand the meaning of HRM, pointing to the fact that they control the cost of wages extremely well and it is not the job of the HR department to act as mediator. ABZ organise their workers into project teams with flexible hours and this they believe creates a greater level of motivation and job satisfaction. Each worker has a monthly appraisal meeting at which previous targets are discussed and new targets set. This appraisal meeting determines whether or not a new contract is to be issued. ABZ believe that this is an extremely fair way of operating. 25 30

The local Construction Employers Association (CEA) has been asked to mediate between the two parties. After listening to both sides the association has made the following proposals:

- The introduction of a range of fringe benefits for all workers
  - The introduction of one year contracts, as a minimum
  - Wages based on the national market rather than the local market
  - Wage differentials for the different skill levels employed
  - A survey to be conducted by the trade union and ABZ jointly to, determine the factors that motivate the workforce
  - The implementation of the findings from the survey
- 35 40

**You must attempt ALL of the following tasks.  
Where appropriate use the case study to support your answer.**

- 1 (a) Explain the **meaning** of HRM. [5]
- (b) Explain the **purpose** of HRM. [5]
- (c) Explain, using the evidence in the case study, why the unions believe that ABZ are concentrating on the purpose rather than the meaning of HRM. [10]
- [Total: 20]**
- 2 (a) Explain the features of the labour market according to the trade unions. [5]
- (b) Explain the features in the labour market according to ABZ. [5]
- (c) Explain the role of the trade union in this dispute. [10]
- [Total: 20]**
- 3 (a) Describe **three** ways in which the workers' contracts of employment are currently ended on the Cheng Stadium Project. [5]
- (b) Explain what alternative contracts ABZ might use. [5]
- (c) Explain how ABZ might improve its HR planning. [10]
- [Total: 20]**
- 4 (a) Explain how flexitime operates. [5]
- (b) Explain how work is organised by ABZ. [5]
- (c) Explain how ABZ monitor their employees' work. [10]
- [Total: 20]**
- 5 (a) Explain what fringe benefits ABZ might introduce. [5]
- (b) Explain the term 'wage differentials'. [5]
- (c) Explain how the nature of work can contribute to workers' motivation at ABZ. [10]
- [Total: 20]**

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