

CAMBRIDGE INTERNATIONAL EXAMINATIONS  
Cambridge Career Award in Business  
Standard Level

**HUMAN RESOURCE MANAGEMENT**

**5165/01**

Optional Module

May 2003

**2 hours 15 minutes**

Additional Materials: Answer Booklet/Paper

**READ THESE INSTRUCTIONS FIRST**

The time allocated for this examination includes 15 minutes reading time.

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.

You may use a calculator.

Attempt **all** tasks.

Write your answers on the separate Answer Booklet/Paper provided.

At the end of the examination, fasten all your work securely together.

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 the tasks that follow.**  
 (The following case study is fictitious).

### **Case Study: The Manufacturing Company**

The Manufacturing Co is setting up a new factory producing clothes for a range of stores around the world, from high quality specialist shops to low-cost stores and supermarkets' own brand labels. Important in all of these activities is the issue of unit costs. The major costs are materials and labour, but poor labour productivity (output per person) lengthens the production process. Throughput and turnover are lower than what is required for good profitability. If labour productivity can be improved while materials prices remain constant, then there are good prospects for expansion. Also, control of labour costs will be important, and so the introduction of new technologies is seen as essential. 5

The Manufacturing Co therefore requires a set of policies and procedures to maximise its capital investment. The factory is laid out according to just-in-time principles with a balanced flow of products. It requires its staff to work with functional flexibility across different product lines as customer demand changes, and staff are expected to work shifts to maximise the output relative to the initial costs of the factory. This means that staff now have to be trained to perform a number of different tasks using a range of machinery and processes. Some staff will be on short-term contracts but most will be permanent. 10 15

The Manufacturing Co is to operate a numerical flexibility policy of adding to staff numbers when demand peaks. To motivate staff, a system of payment by results (PBR) will be operated, supplemented by factory bonuses where there is no way to measure output – such as in 'staff' departments like accounting. Here, monitoring of performance will be by appraisal systems, which will also be applied to the staff on PBR in order to identify training and development needs. These are important as The Manufacturing Co wants all its customers to receive a high quality service. 20

The area in which the factory has been set up has been subsidised by the Government and it is likely that trade unions will be encouraged to ensure that workers are protected in what will be an intensive manufacturing environment. The Manufacturing Co therefore needs to set up appropriate measures for negotiating and resolving any collective conflicts, and to deal with individual problems before they become a collective issue. 25

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

- 1 Describe how the Human Resources department in The Manufacturing Co can help to
- (a) provide an appropriate mix of skills to achieve its business objectives [5]
- (b) control staffing costs [5]
- [Total: 10]**
- 2 Discuss the impact of new technology on the Human Resource Management of The Manufacturing Co. [10]
- 3 (a) Describe the following types of employment contracts that The Manufacturing Co may use.
- (i) full-time [2]
- (ii) part-time [2]
- (b) Explain the benefits of using the two contracts. [6]
- [Total: 10]**
- 4 (a) Explain the difference between recruitment and selection. [10]
- (b) The Manufacturing Co have decided to use practical tests as part of their selection process to see whether each applicant has the necessary skills. Discuss the benefits of this method of selection. [10]
- [Total: 20]**
- 5 The Manufacturing Co are setting up appropriate measures for negotiating and resolving collective conflicts (line 26). Explain **three** other methods the company might use to resolve conflict in the workplace. [3 x 5 = 15]
- 6 Identify and explain **two** different ways in which The Manufacturing Co might organise staff working patterns. [2 x 5 = 10]
- 7 The Manufacturing Co currently monitor staff performance through appraisals (line 19). Explain two other methods of monitoring staff performance. [2 x 5 = 10]
- 8 Explain **three** different methods of payment The Manufacturing Co could use to improve motivation. [3 x 5 = 15]

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