

CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge Career Award in Business
Advanced Level

HUMAN RESOURCE MANAGEMENT

Optional Module

5175/01

October 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 4 printed pages.



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

(The following case study is fictitious)

Case Study: 'Brenda Lee'

'Brenda Lee' is a small jewellery company named after the favourite singer of its founder. The US appeal of the name is an added factor to successful global sales. 'Brenda Lee' makes specialist jewellery for international fashion houses and leading retail stores. The jewellery is very expensive because it uses the latest styles and materials like titanium.

'Brenda Lee' recruits specialist jewellers to develop its designs, which are created by a team of university graduates in Fine Art, many of whom have personal reputations and are highly paid. However, global competition has placed a limit on how much the stores are prepared to pay for 'Brenda Lee' designs, and the latest Quality Assurance guidelines and Government legislation encourage customers to complain if they think a product is not right for some reason. For example, a brooch which keeps falling off because the fastening is more art than practical design may be a cause for complaint. At the same time, the specialist skilled workers now feel that because of cost pressures they have no future and are worried by their trade union's newsletter which reports the increasing use of 'flexible firm' strategies in contracting out work. 'Brenda Lee', however, knows that the high skills must be retained in the business, and would not contract out such a valuable competitive advantage. The highly skilled workers are not easily convinced by management reassurances.

The company wants to introduce benefits for its long-serving staff in the form of pensions, sick pay and subsidised health schemes. It would also like to reward staff through 'annualised hours' or 'flexitime' and by offering share options. The company, therefore, feels pressured to change its human resources policies, so that they incorporate the progressive approach to management. The company will also attempt to introduce staff development programmes. It wants to increase staff responsibilities by vertical loading so that individual workers are responsible for more of the production process, and to introduce empowerment, in order to increase motivation. To do this, 'Brenda Lee' needs to make its Human Resources roles more strategic in terms of resourcing, training and development systems, reward policies and practices.

You must attempt ALL of the following tasks.

- 1 (a) Identify and explain **two** of the operational purposes of Human Resource Management that apply to 'Brenda Lee'. [10]
- (b) Comment on how Brenda Lee might introduce modern aspects of Human Resource Management in terms of:
- (i) development of staff [5]
- (ii) strategic Human Resources roles [5]
- (iii) motivation and reward systems [5]
- [Total: 25]
- 2 Explain how the following external organisations or groups might influence changes to the Human Resource policies of 'Brenda Lee':
- (a) customers [5]
- (b) competitors [5]
- (c) Trade Unions and government agencies [5]
- [Total: 15]
- 3 (a) Explain **three** strengths and **three** weaknesses of 'Brenda Lee's' approach to Human Resource Planning. [10]
- (b) Identify and explain **four** types of employee data which the Human Resources Director of Brenda Lee should consider when planning future Human Resource requirements. [10]
- [Total: 20]
- 4 (a) Explain how Brenda Lee can use appraisals to develop staff competences. [5]
- (b) Explain **two** communication methods that the company can use to decrease the fears that its staff are currently experiencing. [5]
- [Total: 10]
- 5 Explain what is meant by:
- (a) 'annualised hours' (line 18) [5]
- (b) 'share options' (line 19) [5]
- [Total: 10]

6 The company wants to introduce welfare benefits for its long-serving staff.

(a) Describe the main features of:

(i) pension schemes (line 17) [5]

(ii) sick pay and subsidised health schemes (line 17/18) [5]

(b) Introducing and managing various methods of payment and reward are not always as successful as a company expects. Discuss the disadvantages to 'Brenda Lee' of:

(i) pension schemes [5]

(ii) sick pay and subsidised health schemes [5]

[Total: 20]