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

HUMAN RESOURCE MANAGEMENT   **5165/01**

Optional Module

October 2006

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.

UNIVERSITY *of* CAMBRIDGE
International Examinations

[Turn over

You must read the case study below and attempt ALL the tasks that follow.
[The following case study is fictitious.]

Mobile Communications Ltd (MComm)
MComm was established in 1997 at a time when the mobile telephone market was beginning to grow around the world. MComm produces mobiles phones for well known companies but it also produces a range of its own accessories that can be used with almost every brand of phone. At the present time MComm is suffering a number of problems, most notably the relationship between itself and its workers is at an all-time low. This has been brought about by MComm deciding to decentralise several of its specialist Human Resource (HR) functions. *5*

Four specialist roles have disappeared, with the functions being taken over by the managers of the individual departments. The Employee Relations specialist resigned, the Management Development specialist was dismissed after persistent absences, the Recruitment and Selection specialist left by mutual agreement and the Training and Development specialist was made redundant even though this was an expensive way to end his contract. *10*

More serious changes involve the HR department taking greater control over employment costs, wages and salaries, by reducing overtime and bonus payments and streamlining the organisation so that it can react to change more effectively. A further strategy is to recruit new staff on temporary contracts for specific jobs or tasks. The new staff will replace full-time staff on permanent contracts who are retiring or who can be encouraged to leave the company. The Trade Unions who usually negotiate on behalf of the workforce on issues such as wages, salaries, holidays, working conditions and health and safety, have a number of concerns that they have presented to the management of MComm. *15*

1   The trade union is concerned about the protection of its members. Some employees are being pressurised to leave because they no longer have the skills necessary in an industry where technology is changing very rapidly. Instead of MComm providing training for the new skills and promoting the idea of lifelong learning, it is simply replacing established loyal employees with cheaper workers. *20*

2   The selection process being used for new workers is outside the equal opportunities legislation. In the past the process used letters of application, curriculum vitae, application forms, testing and the use of references, which was fair to all. It now appears that individuals are appointed if they are young, have some new skills and are prepared to work for a wage that is below the minimum required by law. *25*

The Trade Union respectfully suggests the following: *30*

1   The introduction of an appraisal system. The system should include the opportunity for each individual to have their performance assessed and training needs identified.

2   Introduce a series of off-the-job and on-the-job training sessions for all workers to keep them up to date with the latest technology in the industry and improve their skills. These sessions should be provided internally by MComm and externally by the trade union. Certification to be available for each employee completing a programme of training. *35*

3   Introduce, with the full backing of the trade union, a shift system for those employees on the factory floor. The system should be a three shift rotational system to include night work every three weeks. This will ensure that all of the machinery is in constant use and fewer machines may be required whilst also freeing time for the training required to update all technical staff. *40*

4   All office staff to work flexitime, removing any overtime and reducing the office space required by using a system of 'hot-desking' (sharing workspace and work desks).

5 Introduce a system to recognise good workers and offer a monthly award. This
   innovation, along with more responsibility and a structure that provides promotion   45
   opportunities, should improve relationships between employees and management, and
   lead to an overall improvement in job satisfaction for everyone at MComm.

MComm are considering these suggestions and negotiations are continuing.

You must attempt ALL of the following tasks.

1   (a)   List **four** HR specialists used by MComm in the past.   **[4]**

    (b)   Explain with the use of an example, how MComm decentralised the management of its Human Resources.   **[6]**

    (c)   Explain how MComm is attempting to fulfil the purpose of Human Resource Management.
                                                                                                    [10]
                                                                                         [Total: 20]

2   (a)   List **four** areas of employment that the Trade Unions deal with at MComm.   **[4]**

    (b)   Explain the importance of the following two aspects of the legal environment that the trade unions are complaining about:

          (i)   Employment protection   **[3]**

          (ii) Equal Opportunities   **[3]**

    (c)   Explain the actions that MComm have taken in reaction to the rapid changes in technology and suggest an alternative solution.   **[10]**
                                                                                         [Total: 20]

3   (a)   List **four** means of selection used by MComm in the past.   **[4]**

    (b)   Describe **two** different types of employment contract used or proposed by MComm.   **[6]**

    (c)   Describe the different ways that contracts have ended at MComm.   **[10]**
                                                                                         [Total: 20]

4   (a)   List **four** systems which could be used by the workers at MComm in order to communicate and resolve their problems.   **[4]**

    (b)   Describe how an appraisal system might work at MComm.   **[6]**

    (c)   Describe the different working patterns suggested for MComm and explain how they might help reduce costs.   **[10]**
                                                                                         [Total: 20]

5   (a)   List **four** features of training suggested by the trade union.   **[4]**

    (b)   Explain the difference between on-the-job and off-the-job training.   **[6]**

    (c)   Explain how the suggestions made by the trade union, especially point 5, might contribute to improving motivation at MComm.   **[10]**
                                                                                         [Total: 20]