Chartered Institute of Personnel and Development

Advanced Level Qualification

Human Resource Management in Context

January 2012

23 January 2012   13:50 –17:00 hrs

Time allowed – Three hours and ten minutes

(including ten minutes' reading time)

Answer Section A and FIVE questions in Section B (one per subsection A to E).

Please write clearly and legibly.

Questions may be answered in any order.

Equal marks are allocated to each section of the paper.

Within Section B equal marks are allocated to each question.

If a question includes reference to 'your organisation', this may be interpreted as covering any organisation with which you are familiar.

The case study is not based on an actual organisation. Any similarities to known organisations are accidental.

You will fail the examination if:

- **You fail to answer five questions in Section B (one per subsection) and/or**
- **You achieve less than 40 per cent in either Section A or Section B.**

ADVANCED LEVEL EXAMINATIONS

7HRC – Human Resource Management in Context

EXAMINER'S REPORT

January 2012

SECTION A – Case Study

Note: It is permissible to make assumptions by adding to the case study details given below provided the case study is neither changed nor undermined in any way by what is added.

Mid-shire District Council (MDC) is a relatively small, rural local authority, located in a geographic area known for its natural beauty, in south-west England. MDC provides a range of local services to its resident population of about 120,000 people. The services include highways and transport, economic and community development, waste collection, street cleaning, and environmental and public health services.

MDC is organised into six directorates – Environment, Planning, Leisure and Tourism, Housing, Finance, and Policy – headed by a Chief Executive Officer (CEO). The Senior Management Team is a small one, consisting of the CEO and two Strategic Directors. The responsibilities of one Strategic Director include resources and finance; the other's responsibilities include planning, tourism and leisure. You are the Director of HR Strategy and Policy Development. You are not in the Senior Management Team but report to the CEO, with whom you have a good trusting relationship.

The vision of the local authority is to maintain and enhance its geographical area as an excellent place in which to live, work and visit in the UK. The Council has a medium-term financial strategy looking forward several years, although this has been challenged by recent cutbacks in the Council's planned spending. The Council also has a best value strategy and has adopted a local planning policy too. This aims to promote high quality building projects in the area and some affordable housing, as well avoiding bad building design and overdevelopment locally.

The Council's Strategic Plan covers the following priority areas where it aims to:

- Work in partnership with outside bodies, both public and private, to sustain active, healthy and economically prosperous towns and villages with full employment.

- Protect and enhance the environment locally.

- Maintain the district as a clean, beautiful place with low crime and nuisance levels.

- Support individuals and families to stay in the area by providing affordable housing.

- Encourage tourism, leisure and cultural opportunities for all and promote healthy living.

- Be recognised as a leading council that provides efficient, value for money services.

Given the dynamic nature of local government, the Council's Strategic Plan is a living, organic document. Some part of the Council's work goes on steadily from year to year, whilst other areas change in response to new needs, opportunities and challenges. The Strategic Plan is set out in modular form and individual strategies, with other parts being revised, added to or removed as necessary.

The Council has 55 Members and is ruled by a Liberal Democrat-Conservative coalition administration. The Council Leader, who has parliamentary ambitions, is a young person, open to new ideas and innovatory solutions to complex issues. He is supported by seven Cabinet Members, most of whom are middle-aged or retired from full-time employment. The portfolios of the Cabinet Members cover: change and efficiency; environment; housing and community safety; leisure and health; the local economy and the community; resources; and strategic planning.

MDC employs 230 full-time staff and 100 part-timers, many of whom are well-qualified, professional and technical specialists. Last financial year, the Council's revenue expenditure totalled £14.1 million, a decrease of six per cent over the previous year. This year's estimated revenue expenditure is £12.6 million, a decrease of 11 per cent over the previous year. Following the Coalition Government's national spending review in 2010, further planned decreases in revenue expenditure of 25 per cent over a three-year period are expected in MDC. The Council has local elections next year, when a third of the council wards are up for election.

Following discussions with the Leader of the Council and Cabinet Members, the CEO and Senior Management Team are concerned that delivery of services will be badly affected by these financial cutbacks. Indeed, some reduction in service provision has already taken place. They are also concerned that staff morale, motivation and engagement will deteriorate. Staff turnover is normally low within the authority and employee relations and relations with the local unions are good.

The terms and conditions for the majority of staff are determined nationally. HR policies determined locally include:

- long-service awards

- workforce profiles

- exit interviews

- managing vacancies

- flexible retirement

- Staff and Management Forum.

PLEASE TURN OVER

Because of the proposed cutbacks, the Council's Strategic Plan needs revision, as do its HR strategies, policies and practices. The CEO believes that there needs to be better integration of the Strategic Plan and HR strategies.

In the light of these changing circumstances and the Council's vision, the CEO has asked you, as Director of HR Strategy and Policy Development, to write a report covering the following issues. In preparing your report, you are expected to draw on research and current practice where appropriate, especially in question 5 below.

1. **Identify and evaluate the main external constraints on the Council's ability to deliver the priority areas in its Strategic Plan. Based on this analysis, recommend whether these priority areas need changing (or not) and why.**

2. **Justify the case for adopting a low-cost generic strategy within the Council, outlining how this might be achieved in practice.**

3. **Analyse and review the HR implications of question 2 above.**

4. **Explain how vertical integration between the Council's Strategic Plan and its HR strategies can be made more effective and why this is important for the organisation.**

5. **Drawing on research, examine how effective strategic leadership can promote the achievement of MDC's Strategic Plan and its HR strategies.**

It is recommended that you spend 20% of your time on each of the above tasks.

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January 2012

SECTION B

Answer FIVE questions in this section, ONE per subsection A to E. To communicate your answers more clearly, you may use whatever methods you wish, for example diagrams, flowcharts, bullet points, so long as you provide an explanation of each.

A

1. Writers such as Lepak and Snell (2007) argue that with organisations driven by employer demands for competitive advantage, and in response to significant long-term trends in the business context, there is a shift away from the 'management of jobs' by organisations to the 'management of people' within them.

    i.   Critically analyse some of these significant long-term trends in the business context that are affecting organisations.

    ii. Examine the implications of these trends for managing people and managing the HR function.

OR

2. There are a number of typologies which categorise organisations on a range from fully private to public without competition.

    i.   Categorise your organisation in terms of its dominant typology and justify your response.

    ii. Identify and analyse **up to three** internal, social components of your organisation and explain why they are important.

PLEASE TURN OVER

B

3. There are various definitions of 'management' but basically management is recognised as the processes used by managers to run contemporary organisations so as to promote the objectives set for them. The term 'management' is also used to describe the group of people carrying out managerial functions within organisations.

    i.   Is management a profession? Justify your answer.

    ii. Analyse the contribution that HR practitioners make to the management function, drawing upon examples from your organisation.

OR

4. Armstrong (2009) and others argue that performance management processes have become increasingly important in recent years, as means of providing an integrated and continuous approach to managing performance within organisations. It is also argued that performance management is more likely to be based on the principle of management by agreement or contract, rather than management by command.

    Drawing upon research and current practice, critically evaluate the performance management system in your organisation.

C

5. The consequences of globalisation are far-reaching for businesses and people. However, despite the growing dominance of globalisation over some three decades, globalisation affects different market economies in different ways.

   i.   Drawing upon research, explain how and why globalisation affects different market economies in different ways.

   ii. Analyse **up to three** possible impacts of globalisation on the UK market economy in recent years.

OR

6. The International Monetary Fund (IMF), which was created in 1945 to promote the world economy, is now a major player in the international system of international payments and exchange rates among national currencies.

   i.   Critically evaluate its role in the global economy.

   ii. Respond to the critique that the IMF (like some other international bodies) is too strongly identified with free market and global principles in its approach to international economic policy-making.

PLEASE TURN OVER

D

7. A visiting manager from the Russian Federation has been told that people in the UK have an obsession with social class.

   i.   She has asked you to explain the meaning of social class in the UK and the implications for its people. Draw on research in making your response.

   ii.   She also wants to know the characteristics of the middle class in the UK. What are the implications of the increasing size of the middle class, relative to other social classes, for the social structure?

OR

8. Writers such as Gruebler (1998) argue that technological change is endemic in societies and is driven by a series of 'technology clusters'. As the dominant technology structure expands, other technological developments are facilitated through subsequent scientific discoveries, experimentation and small scale applications.

   i.   Specify **three** current technologies and assess their impacts on organisations and on how work is organised within them.

   ii.   Analyse the implications of these technologies on people at work.

E

9. You have been informed by your Chief Executive Officer (CEO) that the Coalition Government has announced a planned increase in fuel duty of one per cent plus inflation per litre next April. There is also potentially an additional 3p per litre in the offing from rising oil prices. This is likely to see pump prices rise by up to 5p per litre during this period. The CEO has asked you to undertake the following:

   i. The CEO wants you to analyse the likely effects of this rise in oil prices on your organisation and its employees.

   ii. Suggest some ways in which your organisation can respond to this challenge.

   Draft your responses.

OR

10. Following the Browne report, university tuition fees in England are going to rise. You have been asked to lead a discussion with students in the local sixth form college, addressing the two issues below:

   i. Analyse the potential effects of this rise in fees on the demand for a university education.

   ii. Discuss the potential effects of this rise in tuition fees on the supply of university education.

END OF EXAMINATION

ADVANCED LEVEL EXAMINATIONS

7HRC – Human Resource Management in Context

EXAMINER'S REPORT

January 2012

Introduction

This report reviews the January 2012 sitting of the Human Resource Management in Context advanced level examination of the CIPD. This is a core module within the advanced level qualifications framework and draws upon the "Strategy, Insights and Solutions" professional area of the CIPD's HR Profession Map.

In this examination, 133 candidates took the unit. Of these, 85 achieved a pass standard or more, giving a pass rate of 63.9%.

The breakdown of grades was as follows:

January 2012		
Grade	Number	Percentage of total (to 1 decimal point)
Distinction	4	3.0
Merit	8	6.0
Pass	73	54.9
Marginal fail	0	0.0
Fail	48	36.1
Total	**133**	**100**

The examination consists of two sections, a seen case study in Section A and short answer questions in Section B, where candidates have to attempt five (out of ten) questions, which are divided into five sub-sections. All the learning objectives of the unit are assessed on the examination paper.

In addition to demonstrating knowledge and understanding in this examination, successful candidates are expected to match the CIPD vision of the HR professional as a business partner and a thinking performer who can deliver day-to-day operational requirements and reflect on current procedures, systems and contexts, so as to be able to contribute to continuous improvement and change initiatives.

Candidates are expected to achieve M-level performance in the examination, drawing upon evidence-based argument, critical thinking and broad understanding of their field of study, not only within their own organisation and sector but also across a reasonable spectrum of other organisations and sectors.

ADVANCED LEVEL EXAMINATIONS

7HRC – Human Resource Management in Context

EXAMINER'S REPORT

January 2012

Section A

This section consisted of a seen case study with five questions, where candidates were expected to answer all questions. The case study centred on the activities of Mid-shire District Council (MDC) where, because of proposed financial cutbacks, the Council's Strategic Plan needs revision, as do its HR strategies, policies and practices. The Chief Executive Officer believes that there needs to be better integration of the Strategic Plan and HR strategies. He has asked for a report covering five main issues of immediate importance for the organisation.

The case study touched on a number of issues covered in the module's learning outcomes. However, it was particularly intended to test in-depth knowledge and understanding of

Learning outcomes: 3 and 4.

There are a number of ways in which this case can be approached but the following summary points could be examined and developed in answers.

Task 1

This asked candidates to identify and evaluate the main external constraints on the Council's ability to deliver the priority areas in its Strategic Plan and, based on this analysis, to recommend whether these priority areas need changing (or not) and why.

The external constraints affect all local authorities but MDC has to respond individually to the forces (political, economic and legal) shaped by the external context. Forecasting and responding to anticipated changes are important here. Importantly, an organisation's strategy needs to match its changing contexts and an examination needs to be made of the strengths of the organisation relative to the contextual/environmental changes it anticipates.

Organisational responses can be participative, power, manipulation, negotiation or contingency ones.

In the light of these constraints, and how they are analysed, candidate responses to this question were expected to vary. Candidates could support the priority areas already identified, modify them, omit one or more of them, or re-prioritise them, provided what is proposed is justified and reviewed in each case.

The answers to this question were generally better than answers to the others in the case. A STEEPLE analysis was sometimes used reasonably well in describing the external constraints. Most often the focus was on economic and social constraints, particularly government cut-backs. Few convincing changes to the priorities were offered other than paying more attention to partnering and promoting tourism. Some candidates argued that the priorities should remain unchanged but without any

justification. This evaluative element of the question seemed a major obstacle to many candidates.

Stronger candidates, who followed the STEEPLE analysis, provided a narrative commenting on how the external constraints would impose on the council's ability to deliver priority areas in the strategic plan. Too many answers lacked this analysis and failed to address the last segment of the question whether the strategic priorities needed changing. Better answers not only fully completed the analysis but linked this to wider issues beyond the local authority. A number of candidates had obviously researched what other authorities were undertaking and linked this in at various points in their answers.

Weaker candidates, although invariably using STEEPLE or PESTLE as a framework for their answer, then proceeded to write a series of one word bullet points which failed to explain their points adequately and/or provide appropriate links to the priority areas of MDC's strategic plan.

Task 2

This required candidates to justify the case for adopting a low-cost generic strategy within the Council, outlining how this might be achieved in practice.

The case for adopting a low-cost generic strategy is, given the severe cutbacks policy, the most likely one available. Historically this policy has already started. Differentiation or niche strategies are non-starters in current circumstances. A cost-reduction strategy means that low indirect and direct costs (especially labour) must be maintained. Ways of doing this include - overheads must be kept low and establishing a cost-conscious, 'value for money' culture is vital. There has to be a continuing search for cost reductions throughout the organisation so that this can be achieved. This implies using outsourcing, controlling operating costs, increasing asset capacity utilisation and reducing other costs such as labour. There also has to be control over the supply/procurement chain to ensure low costs within the authority. This might be achieved by bulk buying to enjoy quantity discounts, squeezing suppliers on price and instituting new competitive bidding for contracts. On the downside, a reputation as a cost leader or cost reducer may result in MDC developing a reputation for low quality, which may make it difficult to 'rebrand' itself in the future, should it choose to shift to a differentiation strategy, for example.

In responding to this question, some candidates referred to cost reduction as one of Porter's three strategic choices, which was an appropriate reference. Few of them justified a cost reduction strategy as the question had asked them to. Answers varied with some interpreting 'and how might it be achieved' as steps that HR/MDC should take to bring in a cost reduction strategy (such as change management, communication and so on. Others took a better approach by suggesting ways in which MDC's costs could be reduced. Some of these answers were quite effectively done, by suggesting partnership working, shared services, structural changes, recruitment freezes, a review of local rewards and so on. But other responses were narrow and ineffectual.

Other answers to this question were generally weak. Most candidates were familiar with Porter's cost leadership strategy but solutions as how it might be achieved were limited and probably impractical. In one instance, cutting staff salaries and reducing the volume and quality of service was suggested which seemed rather draconian and unworkable. Most suggestions were staff related, such as recruitment freezes and reduced training budgets. There was a general failure to consider other operational areas where efficiencies might be achieved such as outsourcing, asset utilisation or bulk buying.

A few answers typically proposed a restructuring from six directorates to two but did not really justify how this would help. Surprisingly, when the Council seems to have little choice, some candidates suggested that a low cost strategy was not a good idea and the only justification given was that quality of service would diminish.

Task 3

This asked candidates to analyse and review the HR implications of Tasks 1 and 2 above.

A number of HR issues emerge here; and these needed developing by candidates. For example, cost pressures and efficiencies lead to redundancies, redeployment and retirement of local authority employees resulting in loss of human capital. Changes also lead to increases in part-time employment, as well as less recruitment and selection. Lowering of staff morale and weakening of employee engagement is likely to occur. There is almost certain to be a worsening of relations with the staff unions.

Cost reduction also leads to both fixed job descriptions but also more job flexibility, a results-oriented culture, close monitoring of staff, and minimum levels of employee training. Employees will have a short-term focus, less concern for quality standards, which can lead to more stress and informal conflict in the workplace. There is likely to be a rise in the importance of a local adaptable HR strategy, as well as an increased importance of the Staff Management Forum. Line managers will probably have more responsibility for HR decisions.

Pleasingly, some reasonable suggestions were produced in these answers. They mainly focused on issues such as voluntary redundancy and early retirement but also changes to job roles and descriptions. The need for the HR director to become a business partner was introduced, which commonly seems to happen whenever candidates have a problem developing more subtle responses to the question put. Few candidates, however, considered the wider implications of, for example, resistance from the unions to contractual changes and so on. A few candidates did mention that issues should be discussed at the Forum and that line managers would need extra support in the forthcoming turbulent times.

However, as Tasks 2 and 3 were linked questions, those candidates taking the wrong tack in answering Task 2 tended to struggle here. In some cases, the answer to Task 2 on providing some practical ideas about ways to cut costs emerged in answers to Task 3. Where this happened, credit was given.

There was a split between answers that discussed the implications for HR and those that did, as the question directed, discuss the HR implications. Reading the question as the implications for HR, not as the question stated, lead to discussions of what cuts meant for HR as a function. Where this happened, some credit for these types of answers was given.

Task 4

This question asked candidates to explain how vertical integration between the Council's Strategic Plan and its HR strategies can be made more effective. There is little evidence provided in the case of effective vertical integration or links between HR strategy and MDC's Corporate Plan. In fact, examples of vertical integration in practice indicate that there is little convincing empirical evidence supporting the integration of corporate and HR strategies. Integrating HR and corporate strategy appears to be a highly complex and iterative process. Moreover, it is one which is very dependent upon the interplay and resources of different organisational stakeholders. Integration of this sort is concerned with links between HR and the external political, economic, social, legal and institutional forces helping shape them.

Vertical integration is important because it relates to the degree of 'external fit' between HR activities and strategies, the management of the local authority as a whole and the 'competitive' contexts within which it operates. Research suggests that integration is largely in retrospective rationalisations, couched in appropriate rhetoric rather than in reality. It is suggested that the systemic model of strategy is useful in explaining why integration of corporate and HR strategy is the exception, rather than the rule. This is largely because in this strategic model, strategy formulation is embedded in social networks and their characteristic social values. In the UK, including the public services, these are inherently short term and finance centred, not long term and people centred ones.

Disappointingly, vertical integration caused some problems for many candidates. Most of them could explain the concept reasonably well and discuss horizontal integration too. But when it came to how vertical integration could be made more effective, a measured and evidence-based response to the question was either ignored or some general remarks were made about people working together more effectively and then vertical integration would happen. Better answers were sceptical of the ability to achieve close alignment in uncertain times, when an element of emergent strategy might be needed. This was not generally a well answered question in the case study.

Other answers were not very convincing largely because they were rather theoretical and idealistic. None of these responses mentioned the complexities and practicalities associated with the implementation of vertical integration. A few candidates showed that they were not entirely sure what is meant by vertical integration. Again, the business partner role was commonly touched upon but in this case it was justified. A few commendable answers, however, proposed a complete review of HR policies and practices with a view to adjusting them to support and align with the organisation's strategies.

Task 5

This asked candidates to examine the role of effective strategic leadership in promoting the achievement of MDC's Strategic Plan.

A central issue in strategy implementation is the importance of effective strategic leadership in achieving this. The sources in this debate are whether organisational leaders are in control of the process (the human agency view) or whether the external contexts of organisations are the controlling and determining factor (the determinist view). In other words, where does the locus of influence over leadership and strategy lie? The debate and research in these areas are polarised into competing views along the human agency-determinist spectrum. In practice, however, when considering the role of leadership in formulating and implementing both business and HR strategy, the research evidence suggests (such as that of Leavy and Wilson) that there is no single best way of managing and leading organisational success. Strategic effectiveness appears to be contingent upon a range of personal, organisational and chance or circumstantial factors at the time. MDC is likely to be no exception to this.

Responses to this question were generally very poor, with almost no-one citing research to support their answers. The word 'strategic' inserted before leadership was wholly ignored by most candidates and vague remarks were made about communication, gaining followers, engaging workers and so, with very few candidates addressing the question as stated.

Clearly, this question proved to the most troublesome for most candidates. Very few were able to demonstrate any knowledge of the human-agency and determinism debate. Nor was there any discussion on the characteristics of a transformational leader. Those achieving a pass, however, did express the need for vision, mission and objectives, also the need to account for the needs, views and anxieties of staff. Weaker answers merely argued that the leadership will ensure teams are aligned with business objectives and that they are kept well-informed. Unfortunately, some candidates paid more attention to strategy formulation than to implementation.

Section B

In this section, candidates had to choose one question out of two in each of five sub-sections that covered the remaining learning outcomes not examined in the Section A case study. Most questions consisted of more than one part and candidates were expected to attempt all parts in each question.

Question 1

Learning outcome: 1

There are a number of significant long-term trends in the business context, so the question may be interpreted in a number of ways. However, the main trends include a global perspective, issues of legal compliance, the emergence of 'permeable' organisations or multi-employer networks, the engagement of employees emotionally at work, a customer-centred focus in business, and the individualisation of employment relations. In this transition of work organisations from mechanistic systems to, in some cases, organic ones, the personnel management tradition of managing jobs is superseded by the HRM model of managing people. This affects how the HR function is organised (for example, shared services, centres of excellence, business partners, and outsourcing), the importance of relevant HR strategy, and the increased role of line managers, supported by HR, in managing people.

Answers to this question were either just sufficient to pass or were fails. The main reason for failing was not fully addressing the question set. Most often the trends mentioned were HR ones, such as flexible policies, feminisation of the workforce and so on. The question clearly states 'the business context', so there should have been some reference to the changing nature of organisations and their strategies and operations. A particular weakness of candidates tended to be discussing the recession and, although it has been going on a while, it need not be considered to be a long term permanent trend.

In many answers, there was insufficient attention paid to managing people and the HR function. It was often the case that there was lack of continuity between the two parts of the question. The HR implications were blandly stated and they lacked clear connection to the trends discussed. The Ulrich model was sometimes mentioned but it was not clear how the trends discussed had influenced a business to organise the HR function in this way.

In general answers were weak, given the range of trends there are to choose from. Surprisingly, some candidates could not distinguish between the internal and external contexts and hence did badly. Some answers identified two or more trends but did not show any ability to critically analyse and provide responses to the second part of the question. These were commonly brief and/or superficial.

Question 2

Learning outcome: 1

Candidates may be working in private, public or third sector organisations. Using Tomkins' continuum typology, their organisation may lie at either end of his spectrum or somewhere along it. This typology is a limited and not a comprehensive one. Other more extensive typologies could be drawn upon including: Blau and Scott (1963), Eldridge and Crombie (1974), Etzioni (1975), Ferguson and Ferguson (2000) or Farnham (2010). Whichever model is chosen needs to be explained and justified. One of the most useful analyses of the social components of organisations is provided by Child (2005). He identifies four main dimensions of social components: structural issues, rules and system, co-ordinating mechanisms, and networking – each with its subcomponents. Any one of these may be discussed, providing their importance is explained.

The categories commonly identified were either private or public, with a few candidates discussing the public without competition model. These candidates were the only ones showing any familiarity with typological models such as that devised by Tomkins. They tended to produce a good overall answer. Few described a particular model as a framework for the answer.

The same pattern was repeated in the second part of the question, where there was no direct reference to the social components devised by Childs or others. However, there was some indirect reference to rules and systems in some answers. There was also very loose referencing to networking in the form of team working.

In other cases, responses to this question led to some very brief answers on the whole. The first part of the question was dealt with in a few lines and the second part seemed to cause considerable difficulty for candidates. Some of these answers blandly put unions as a social component and staff as another, whilst others focused on culture.

Question 3

Learning outcome: 2

This question can be answered in different ways. One approach is to argue that management itself may not be a profession because there is no recognised body of knowledge in the field. Nor are there a set of recognised qualifications for those who manage, although HR specialists, marketing and finance managers do have their own qualifications, professional bodies and systems of training. Further, none of the theories of professionalism such as trait models, functional models and control models 'fit' modern management practices and practitioners, although it could be argued and justified that management itself has become professionalised.

Another approach is to argue that management is a profession, albeit a diverse one, largely on the grounds that managerial jobs are so complex today and fundamental to organisational effectiveness. They draw upon a range of knowledge and skills (learned at an advanced level in business schools) that the professional tag is an apt and relevant one. Turning to HR, HR specialists contribute to the management process partly because of their specific knowledge skill in managing people in organisations (or out of them) and partly by supporting line managers in performing their people management skills more effectively. How the HR function is organised in terms of corporate HR, the business partner role, shared services, centres of excellence, outsourcing etc adds to its competence in contributing to organisational efficiency and performance. The answer must be related to the candidate's own organisation.

Overall, this was an unpopular question, where the issue of management being a profession was seldom debated with balanced arguments. Most candidates took a stance one way or the other and just stated it. The justification for was usually weak.

In general, the question was weakly answered in the first part and better in the second part. The first part appeared to be answered in the main 'off the cuff' and few candidates referred to the criteria by which one might judge whether an occupation constitutes a profession. Better answers talked about expertise, education /qualifications, professional body accreditation and so on. Other candidates reviewed codes of ethics. On the whole, though, too many answers were just vague anecdotal responses.

The second part of the question generally caused less difficulty and candidates talked confidently about the ways in which managers were supported by HR practitioners. But too few teased out the contribution from this and failed to get above pass standard.

In other cases, comments on the contribution of HR to the management function were a little better than answers to the first part of the question but there was a lack of sufficient examples from candidate organisations. Much more could have been made of the professionalism of HR practitioners and what is expected of them as professionals. Equally more detailed comment could have been provided on support given to line management. The main focus was on the strategic level and not enough on the operational level of the HR contribution.

Question 4

Learning outcome: 2

Performance management is not a new set of management practices. However, there are a number of different perspectives on how performance is managed. In this own organisation question, candidates are expected to critically review the effectiveness of performance management arrangements in their own experiences. Some outline of their specific system is the starting point. Then a way of reviewing the specifics of

their performance management systems could be approached by starting with a cycle of performance planning that establishes and agreeing on effective performance targets. A second element is assessing performance in terms of actual compared with intended targets (objectively assessed). The third 'leg' is how the organisation takes corrective action via mutual feedback and discussion. An examination of these three basic elements could contribute to an effective critical review/evaluation.

This was not an unpopular question but answers were generally not impressive. Most responses were rather superficial and lacked any description of the major features of a typical performance management system or cycle. Such answers were weakened by the absence of research knowledge and current practice in the field. The evaluations were generally descriptive and seldom reflected practically on improvements to the deficiencies mentioned. The focus of answers was often on the appraisal process and how objectives are unfairly applied. One candidate asserted that a performance management system did not exist in their organisation. Neither were there any strategic objectives. It was curious why the candidate had chosen to attempt this question.

In summary, answers to this question were overly descriptive and tended to discuss appraisal processes as if 'performance management' was 'appraisal'. Few candidates drew on any research and fewer offered a true critical evaluation of the topic.

Question 5

Learning outcome: 5

Globalisation has various definitions but basically it is the world-wide spread of industrial production promoted by unrestricted mobility of capital and unfettered freedom of trade. For others (Giddens), it is the displacement of local activities by networks of relationships whose reach is world-wide. However, globalisation is not an 'even' phenomenon. For Hampden-Turner (1993), for example, there are many forms or cultures of capitalism, without which wealth-generating activities would not exist. They identify 'seven cultures' of capitalism driven by forces such as 'constructing and deconstructing', 'choosing amongst achievers' and 'sponsoring equal opportunities' – plus others.

Different market economies adapt to capitalisms that are affected by types of markets, regulation, major accountabilities (such as shareholders in Anglo-Saxon states), their labour markets and dominant value systems. These range from Anglo-Saxon models to Asian ones. For the UK, the outcomes of globalisation include changes in industrial ownership, de-industrialisation, labour market flexibility, managerialism (in both the private and public sectors), new management specialisms such as quality and performance management, new systems for managing people, and weakened unions.

This question was generally not answered effectively. Some attempt at defining globalisation and the reasons for its growth needed to be made. However, regulation or more aptly deregulation was often quoted as a reason. Also reference to research

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was minimal. Differing national cultures was another main reason offered but discussion of the effects of this was meagre and normally related to countries with low wages which induced MNCs to relocate there .Some reference to the dominant value systems in these cultures would have been useful.

Overall, candidates tended to either know the answer to the first part of the question or have no idea whatsoever and therefore they side-stepped the question completely. Some candidates could identify the characteristics of different market economies, such as mixed, free and command, but they did not move beyond this to answer the question 'why does globalisation affect market economies in different ways?'.

In the second part of the question, common responses were the processes of de-industrialisation, the service-based economy and the problems associated with immigration and hyper-competition.

These observations needed to be supported by more commentary on their impacts, so the answers provided tended to be rather descriptive. Some responses to the second part often led to lists of effects and brief sentences describing events in the UK economy but left the examiner wondering the part globalisation played.

Question 6

Learning outcome: 5

The IMF's general purposes are to foster global monetary co-operation, secure financial security, facilitate international trade, promote high employment, advance sustainable economic growth and reduce poverty around the world. It does this by keeping track of the world economy and the economies of its global membership of some 180 countries. It lends to countries with balance of payments difficulties. And it gives practical, technical help to its members. There is also hard evidence of IMF's promotion of the globalisation agenda in recent years.

By this view the IMF is facilitator of globalisation and it uses its influence to get countries to pursue sound macro-economic policies, with the aim to enable as many as possible to enjoy the claimed benefits of international trade. This position can be defended by supporters of globalisation but challenged by its critics. Candidates can support either side of the debate, provided that they justify their responses.

This was not a popular question. But those answering it again focused on description rather any critical evaluation. And in the second part of the question, candidates just tended to agree with the critique and rephrase the question to constitute an answer. It was clear most candidates that had no little or no understanding of IMF's role and they were quite unable to respond to the critique required in the second part of the question.

Question 7

Learning outcome: 6

Social class incorporates the stratification systems institutionalised in modern societies such as the UK. Social class reflects the hierarchical structure of a society of over 60 million people which reflects degrees on inequality amongst individuals, families, households and social groups in terms of wealth, status and power. Britain was the first country to industrialise and to develop a modern, class system of social differentiation. The UK's obsession with class derives from the historical path dependency of the early class system. On whatever measures used, the UK is a more unequal society than most other parts of Western Europe. Its social class or social stratification system is reflected in differing occupations (and those with no occupations or employment), lifestyles, patterns of behaviour and cultural values, and life opportunities.

There are other social divisions such as gender, ethnicity, religion and age, as well as regional cleavages. This diversity is overlaid and held together by systems of beliefs, language, law, symbols and institutions. It is the integration of these elements that produces stability, whilst enabling societies to change. The reason why the middle class expands is because of rising living standards, educational opportunity, the creation of new occupational groups and aspirational social values. But the middle class is itself stratified in terms of incomes, wealth, status and cultural norms.

This was not a popular question, where the answers given generally failed to describe clearly the nature of the class structure and the placing of the middle class within it. The focus by candidates was mainly on the characteristics of the middle classes and an assessment of the implications of its increasing size was very limited.

Question 8

Learning outcome: 6

Technology is continually developing in response to new needs, the latest discoveries and advancing applications in everyday life. Candidates have a wide range of current technologies to choose from in responding to this question. These can be macro-technologies such as ICTs, biotechnology, transportation, energy, medicine, robotics, nanotechnology, social media and so on. Candidates can also choose to identify micro-technological developments within any area.

Their impacts on organisations and the organisation of work include flexible production, new organisational forms, new methods of management. IT becomes critical in the organisation of work because it largely determines innovation capacity and makes possible corrections of errors and generation of feedback. New divisions of labour are apparent: senior managers, researchers, executives, operatives (in the widest sense) and implementers. The impacts on people include changing sectors and occupations (for example, business and social services and new 'white-collar'

groups of workers), the service economy versus advanced manufacturing models of work and employment, tele-working, whilst work is unified through complex global networks.

Answers to this question were on the whole good. As might have been anticipated, the main technologies mentioned were ICT or robotics. Better answers provided coherent well structured answers with sound links between the two parts of the question, although sometimes they could have contained more detailed analysis. In weaker answers, these links between the parts were sometimes absent or unclear. In the weakest answers, the first part to the question consisted only of a description of the technology, with little comment on the impact on businesses and how work is organised within them.

In the second part to the answer, issues such as redundancy, multi-skilling, stress, flexible working, home working and videoconferencing were the most common implications mentioned. The more able candidates also referred to issues such as cost efficiency and improvements in quality and customer service. But the main factor that would have produced better marks for some candidates was to demonstrate clearer links between both parts of the question set.

Among the weak scripts, too many of these consisted simply of a bullet point list for the first part of the question and a few bland remarks in the second part about robotics replacing people, people being able to communicate more effectively and speedily because of ICT and so on.

Some answers cited transport as a current technology - tractors, cars, the jet engine and so on. Credit was given for transport when hybrid technology or satellite navigation, tracking devices were incorporated in the discussion. But otherwise, this was not acceptable as a current notable technology. Often responses to the second part of the question failed to focus on the implications for people at work. Instead, candidates just talked about gains for the organisation. These candidates did not read the parts of the question properly and just assumed what was required in these cases.

Question 9

Learning outcome: 7

The impact of rising oil prices on organisations will depend upon a number of factors. These include the sector in which the organisation is located, its product or service markets, the organisational location(s), the type of people employed, and the labour markets from which the organisation recruits and selects its workforce. In responding to this question candidates are expected to relate the question to their own organisations. So answers must be organisation specific. The issues raised are likely to include, in the short term, the impact on: the costs and prices of goods/services sold; the prices of supplies; the pay expectations of staff; the balance between creating employment and making staff redundant; how cost rises can be offset by greater efficiency and productivity; transportation and logistics costs and so on.

For staff the rise in oil prices will affect their travelling costs to work; their costs of living; their household incomes; their general purchasing power; their spending to saving ratios; and their willingness to spend on less essential goods and services. Organisations, in turn, will have to respond by deciding if they can pass on rises in oil prices to their customers; how to generate more efficiency within their businesses; value-for-money assessments; and other labour and cost saving exercises.

This was a popular question but encouraged some narrow answers which demonstrated that candidates could not think of the wider ramifications of rising oil prices. Frequently, answers were restricted to 'it will be more expensive to run company vehicles' and 'it will cost employees more to travel to work'. These answers stated the obvious and failed to show sufficient business orientation. Where responses to the first part of the questions were narrowly based, the second part tended to follow in a similar pattern.

Examiners expected candidates to have had sufficient knowledge of their organisations to be able to produce a thorough analysis of how and where an oil price rise would impact. Explanations of the impact on the organisation were limited to a rise in product prices and distribution costs and demands for higher salaries. Similarly, the affect on staff was mainly limited to travel costs. A broader and deeper analysis was required in both instances.

Responses offered to the second part of the question were generally superficial or lacked sufficient depth of analysis. Following on from the first part of the question, some candidates commented on the need to award higher wages but to reduce head count. The need for other cost savings was mentioned but assessment of how these were to be achieved was usually limited. Some answers were limited to the organisation designing 'cycle to work' or 'car share' schemes, or for longer distance commuters, the possibility of working from home more often. The answers could have been strengthened if the analysis had been preceded by a description of the nature of the business and its operations and the numbers employed and in what way.

Question 10

Learning outcome: 7

The effects of the planned rise in tuition fees on the demand and supply of university education are uncertain, both in the short and long terms. But taking a short-term perspective the possible effects on demand of this price rise include: a fall in demand for non-vocational undergraduate courses such as the arts, humanities, and pure mathematics; a rise in demand for undergraduate vocational courses; a fall in demand for undergraduate education from people from low-income households; a neutral effect from those in high-income households; an indeterminate effect on post-graduate studies, depending upon how the fees of these are fixed; a rise in demand for lower-cost undergraduate studies; and more students might study overseas.

In terms of the supply side: undergraduate courses will be offered in an increasingly market context, with competition between institutions for better qualified candidates; some institutions will become increasingly centres for the study of vocational subjects; price competition could become a key issue in the sector; universities will become even more "customer-centred"; and price and product differentiation on the supply side will increase. Justification of the answer is required.

This was not a popular question but about half of the answers were a pass standard, whilst the other half did not demonstrate M-level performance. The better candidates commented on several of the indirect as well as the more direct consequences of these changes. Most realised that demand for courses would likely fall and there would be excess supply but some were unable to take these arguments to a higher and broader level. Such answers focused too much on the impact on lower income households and how unfair and discriminatory this would be; a wider selection of issues needed to be discussed.

More dramatically, some candidates regarded the policy as the death knell for some universities. They also argued that the skills gap will become infinitely worse as will the level of immigration. The former is perhaps a danger but that does not account for the responses the universities might take.

The more able candidates commented on increased competition between universities and their need to be more market-orientated regarding courses offered. Added to this, they discussed the probability that universities will become more selective and differentiating via specialisation.

Conclusions

The pass rate in this examination diet was 63.9%. The marking team is of the view that the examination paper provided a good test of all the learning objectives and the indicative content of this unit, and was a fair test of candidate knowledge, understanding and application of knowledge within the module.

The marking team observed the following general points in assessing candidates in this examination.

1. With a pass rate of some two-thirds of the candidates sitting the examination, the standard of performance was a reasonable one. However, as demonstrated in the statistics table, there was a long tail of candidates (36.1%) who failed the examination and many of these were very weak performances. It is likely that a fair proportion of these candidates were re-sitting the examination.

2. Overall, answers to the case study were disappointing, particularly the responses to Tasks 2, 4 and 5. The constraints mentioned in Task1, especially the cut-back in funding, might have been used by candidates as the

foundation for the other answers to the case study. For example, in Task 4 the constraints should have guided students to adopt a best-fit approach to strategy. Similarly, in Task 5 the Council's leadership are heavily constrained by central government policies and regulations, implying that they have little control over strategy formation, which is very much determined for them. The major practical concern for the Council, therefore, is implementation of strategy.

3. Worryingly, many students seemed to be poorly prepared for the case study questions. Patterns of interpreting the case were detectable in some centres but there was little evidence in the scripts of wider, independent reading that would enable students to be better informed and more able to engage in debate and discussion around the issues in the 7HRC syllabus.

4. For this particular cohort, on balance, Section A answers resulted in better marks than those in Section B. More generally, candidate performance in Section B was similar to their performance in Section A. But weaker candidates performed poorly in both sections, with those meeting the overall standard doing so in both Sections A and B.

5. In general, the knowledge of candidates in relation to the managerial and organisational contexts was not comprehensive and detailed enough, particularly in terms of market operations, government policies, political processes and theoretical understanding. The ability of some candidates to present structured arguments, with supporting organisational and research evidence needs to improve substantially. Establishing and defining the meaning of the concepts introduced in the examination questions at the outset would have added strength to most answers.

6. The use of mind maps or, what looked to be diagrammatic answer plans in some cases, were produced by some candidates but commonly were offered as responses to the questions, without any supporting commentary. Although some of these plans contained relevant pointers to the answers, this is an examination technique that should be discouraged; candidates to realise it will not normally earn many marks for them.

7. Candidates need to be aware of the need for continuity between parts of questions. This is an examination technique that can be improved by practice.

8. Some candidates fail to take a holistic and contextual view of their organisations and its operations, by focusing too much on HR issues. Questions that ask for analysis and evaluation sometimes need broader considerations beyond that of the HR function. There is also a tendency, whatever the question topic, for some candidates to squeeze in mention of the 'business partner' model and 'best practice' model in the belief that it will earn them some marks. In the same way, Ulrich, Purcell and Pfeffer are frequently mentioned in scripts, too often inappropriately.

9.   The use of theory and research is still poor in many scripts and description seems to be more common than the critical approach required in responses at M-level.

10.   There remains a tendency noted by the marking team for some candidates to re-interpret the questions set to what they would like the questions to be. This approach clearly loses marks for these candidates.

11.   Question spotting should be avoided in both sections of the examination paper. Candidates and subject tutors are reminded that all the learning outcomes covering the indicative content of this unit are assessed in the examination. There is no discernible pattern indicating which learning outcomes are likely to be tested in the case study in each examination diet. The remaining learning outcomes are assessed in Section B of the examination.

12.   Another issue noted by the examiners was that some candidates failed to justify their answers when asked to do so. Again this loses them valuable marks.

To summarise, this is an M-level examination and candidates are expected to provide evidence-based answers to the questions set, drawing upon relevant research and good practice of HRM in its business contexts. They are expected to read around the subject matter of this module. At a minimum, the Chief examiner's core text provides an overview of the literature, identifies and reviews key studies in this field of professional knowledge and understanding, and provides a framework for analysis. But this is not enough; it needs to be supplemented through wider reading by candidates. These sources include relevant academic journals, professional periodicals and the quality press, as indicated by their subject tutors.

To conclude, I would like to acknowledge the support of my team of markers in contributing to the assessment process on this occasion. The markers were Derek Adam-Smith, John Ashcroft, Chris Evans, Alan Peacock and Amanda Thompson.

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Chief examiner