

**ADVANCED LEVEL EXAMINATIONS**

**Human Resource Management in Context**

**EXAMINER'S REPORT**

**September 2012**

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**Chartered Institute of Personnel and Development**

**Advanced Level Qualification**

**Human Resource Management in  
Context**

**September 2012**

**24 September 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.**

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#### 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.**

Old Town Council (OTC) is a unitary, metropolitan borough council in southern England, employing around 15,000 people. There are wide disparities in household income in the city, where OTC provides a wide range of services. The Council's vision is to support a healthy, prosperous, greener city. This is being implemented through a 10-year Sustainable Community Strategy and a three-year Corporate Plan.

The main aims of OTC's Corporate Plan are to promote economic prosperity, transform service provision, respond to social inequality and improve Council performance. The Corporate Change Programme, supporting the Plan, is based around shared services, local delivery, a seamless service and putting customers first.

OTC operates in the context of new public management. This focuses on measuring performance outcomes, imposing internal market disciplines, contracting out where appropriate, recovering costs, promoting shared resources and developing partnership working. These market-based rules of service delivery have not altered some sector-specific aspects of public sector work, such as sharing information, benchmarking, public accountability, and seeking best practice.

OTC is generally regarded as a good performing local authority:

- it has ambitious plans for growth and reducing inequalities
- it is meeting the needs of its more deprived areas and supporting community cohesion
- it understands what is needed to improve people's quality of life
- it has strong leadership and management, effective partnership working, delivering improvements to people, and a robust strategic framework
- it has sound service and financial planning, with diversity at the heart of service design and delivery.

The Council's main concerns are: to continue to improve its performance management, especially in relation to HR; to help improve health and life expectancy locally; and to strengthen its leadership on sustainability, by providing a better role model as an organisation.

OTC's HR strategy does not fit any particular model. It is incremental and mainly best practice-led. This is due to the benchmarking and inspections within local government. The Council seeks to align its business and HR strategies using a configurational approach. Some but not all individual HR strategies fit with one another in a strategic framework. This framework seeks to incorporate both people and business performance issues within it.

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The main elements of OTC's HR strategy cover:

- Capacity building
- Leadership
- Performance management
  
- Change management
- Developing the HR function
- Diversity and equal opportunities

The HR function is currently organised into Corporate HR (including strategy development), Corporate Organisation Development, Corporate Training, Health, and Payroll, and Departmental HR Teams (DHRTs). The volume of HR work has increased recently, due to central government initiatives, efficiency gains and pressures to cut costs. There are no plans to outsource the function. Relations with the unions are good, with strong consultation and a joint working culture, as well as direct employee involvement.

The Council is performing well in some areas of HR strategy and HR practice but development is needed in the following areas:

- communication of HR practices and HR strategies within OTC
- the positioning and strategic nature of the HR function
- capacity within the HR function
- engagement of front-line management in HR and performance
- measurement of the effectiveness of people management processes
- implementation of an HR/Organisation Development (OD) review
- implementation of individual performance management and reward strategy.

There is evidence that individual HR processes and bundles are not fully linked to organisational performance, although HR strategies are evaluated for their influence on the business. HR aims for a business-partnering and change agent model but it is caught up in a case-work reactive role. Indeed, some line managers, staff and trade unions view HR as a guardian of 'the rule book'. This is compounded by its shared service model of delivery and the difficulty implementing it. This has led to loss of trust and respect for HR in parts of the organisation. Greater attention needs to be paid to engaging and empowering staff and communicating to them at all levels, as changes take place. Line managers need to develop their HR roles too.

In the light of these developments, the new Chief Executive Officer (CEO) is anxious to review the shape and effectiveness of the Council's HR strategy and the HR function delivering it. He wants guidance for improvement, so as to link people management practices and organisational performance. The CEO has arranged a meeting of the Senior Management Team (SMT) to discuss the way ahead. You will be at this meeting in your role as Director for HR services.

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The new CEO has asked you to provide written submissions on each of the following tasks for the SMT meeting:

1. To critically evaluate the Council's HR strategy and how it is delivered.
2. To provide guidance about how to develop the Council's HR strategy and to communicate it effectively within the organisation.
3. To identify and evaluate up to three external trends, which are likely to affect the delivery of the Council's revised HR strategy. You must justify your choice of each of these.

*It is recommended that you spend 40% of your time on Task 1, 40% of your time on Task 2 and 20% of your time on Task 3.*

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#### 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. You have received the following email from a colleague in another organisation. She writes:

'I understand from recent research by the CIPD and others that many large private and public organisations in the UK, rather than having centralised HR departments, are adopting different structures, such as shared services, for delivering HR within them. Please summarise and explain these structures to me.'

Draft your response, drawing upon research and/or current organisational practice.

#### OR

2. Following changes in the external organisational context, there has been some debate about 'new organisational forms' that have emerged in recent years. These have been in reaction to classical forms of organisation such as bureaucracy and scientific management.
  - i. Drawing upon research, explain the reasons for the emergence of these 'new organisation forms.'
  - ii. Why, in other cases, have bureaucratic forms of organisation continued to survive?

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#### B

3. You have been asked to give a talk to new starters in a local business on 'Why quality is important, how it is organised and the implications for managing people.'

Drawing upon research, draft what you will say and why.

#### OR

4. A major task for managers in organisations is to gain legitimacy among those working for them.
- What is managerial legitimacy and why is it important in organisations?
  - Drawing upon current practice, how do managers gain legitimacy within your organisation?
- 

#### C

5. The structure of the UK economy has changed significantly over the past 50 years.
- Drawing upon research, critically evaluate the main changes that have taken place in the industrial structure of the UK during this period and explain the reasons.
  - Discuss the labour market implications arising from these changes, providing examples where possible from your organisation.

#### OR

6. In 'free' or 'perfect' markets, it is claimed that prices are determined by the interplay of supply and demand and market equilibrium is reached where producers and consumers are satisfied with the price and quantity of goods or services bought and sold. However, there are few free markets in the real world and the intensity of competition among producers or suppliers of goods and services varies widely.

Explain why in advanced market economies like the UK, market competition is rarely 'perfect', illustrating your answer with the types of market competition that exist in practice.

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#### D

7. Global markets are playing an increasingly important role in today's business relationships, capital movements and labour mobility.
- i. Drawing upon research, explain what 'globalisation' means.
  - ii. How does globalisation affect your organisation?

#### OR

8. You have been asked to give a short talk to a group of students at the local sixth-form college on 'The European Union: what it stands for and the extent to which it benefits the business community.'

Drawing upon research, outline what you will say and why.

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#### E

9. You have been asked to write a short article for a local business newsletter on 'The impact of recent government policies on my organisation.'

Drawing upon current organisational practice, outline what you will say and why.

#### OR

10. A common feature of an open society like that of the UK is that business interest groups try to influence public policy and the enactment of legislation.
- i. Drawing upon research and/or current organisational practice, critically examine how business interest groups try to influence the policy decisions of government, giving examples in your answer.
  - ii. Identify and discuss some of the ethical issues involved in corporate lobbying.

**END OF EXAMINATION**

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#### Introduction

This report reviews the September 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 first examination in the field, 95 candidates took the unit. Of these, 54 achieved a pass standard or more, giving a pass rate of 56.8%.

The breakdown of grades was as follows:

<b>September 2012</b>		
<b>Grade</b>	<b>Number</b>	<b>Percentage of total (to 1 decimal point)</b>
Distinction	1	1.1
Merit	8	8.4
Pass	45	47.4
Marginal fail	8	8.4
Fail	33	34.7
<b>Total</b>	<b>95</b>	<b>100.0</b>

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

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#### Section A

This section consisted of a seen case study with three questions, where candidates were expected to answer all questions. The case study concerned a local authority organisation, where the new Chief Executive Officer (CEO) is anxious to review the shape and effectiveness of the Council's HR strategy and the HR function delivering it. He wants guidance for improvement, so as to link people management practices and organisational performance. The CEO has arranged a meeting of the Senior Management Team (SMT) to discuss the way ahead.

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 6*

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 critically evaluate the Council's HR strategy and how it is delivered.

This is a demanding case, with a variety of issues needing to be addressed. But basically, the HR function within OTC is not performing effectively in conditions of change, tight budgets and the search for continued improved performance within the organisation. For example, the links between HR strategy, HR practices and performance are weak; horizontal integration could be improved; and vertical integration is problematic. Communications both horizontally and vertically within the organisation are a central issue and need analysis and review. Line managers are not delivering their HR responsibilities effectively. Besides this, both the business partner and change management roles need working upon. In short, the HR function is performing too much like a traditional local government rule-keeping, policing and administrative role. The function is too focused on the here-and-now, current practices and administering systems, not on the future, strategic focus and managing change. A clear vision on people management within OTC has to be determined.

Communication focusing on the need for change is still in its infancy, although some existing change management programmes appear to be in place. Although HR strategies and plans exist, there is no overarching strategy in terms of people management practices and their links with performance. The HR/OD review is still not implemented and this leads to continuing capacity issues. The metrics or measurement of the effectiveness of people management processes are weak and an effective performance management framework needs to be implemented.

Although there are some successful areas, capacity issues within the HR function generally remain an issue. Communications need to be improved with both line managers and employees in terms of the exact role and nature of the HR function. On a positive note, there is strong consultation with the unions and staff directly. The HR function appears to be

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currently operating in a policy vacuum, due to delays in implementing the HR/OD reviews. Information and communication within and with HR are also key areas requiring action and work to be done on them. Overall, the HR function needs to demonstrate that it is moving towards a strategic, proactive, tailored-practice, business driven, and specialist focus.

Given that this is a seen case study distributed a month before the written examination, responses to this question (and the others) in this section were not generally impressive.

Three main faults were demonstrated by weaker candidates in responses to Task 1. First, some wrote about the HR function rather HR strategy. Second, others provided models of HR strategy to varying degrees of clarity but made little reference to the case study material. Third, others slipped into prescribing what OTC should do which was obviously related to the next question, not to this one. Where these faults were not evident, candidates were able to produce competent answers.

In other cases, some candidates paid more attention to the theoretical form of the HR strategy within the authority rather than explore its weaknesses and provide a practical evaluation of it. Other candidates mentioned lack of links between HR strategy and performance, lack of horizontal and vertical integration, and weak partnering with line managers.

The weakest answers were much vaguer and candidates seemed unable to critique current strategy and the delivery mechanisms in the Council. In some answers, candidates relied on a SWOT or PESTLE analysis, which was a format required in past papers. And even although it wasn't asked for or particularly relevant to this question, they proceeded to trot it all out irrespective of its inappropriateness.

Generally, responses to this question were poorly informed and demonstrated lack of understanding of what an HR strategy is and how it can be critiqued.

#### **Task 2**

This required candidates to provide guidance how to develop the Council's HR strategy and to communicate it effectively within the organisation.

Action needs to be taken in a number of areas. For example, HR and council leadership need to be clear about their "people vision" and the direction in which the organisation is moving. They can then decide their strategic priorities. HR and council leaders need to demonstrate their commitment to the expectations of staff and to improving communications about strategies and change management programmes. These can be done through briefings with the CEO, reinforcing the links between change programmes and corporate business planning, and through a marketing campaign, using email and the intranet.

HR and council leadership also need to quickly turn their plans into actions. For example, deciding priorities, aligning existing strategies, and developing longer-term plans for implementation. HR and top managers also need to share learning and identify what HR practices work well. This can be done by training and development events, management development packages, e-learning and HR self-service options. HR also needs to measure and report on its effectiveness and the impact of HR practices on organisational

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performance. This could involve implementing a human capital management (HCM) model (or management through measurement) and linking it with performance management measures.

HR needs to be more visible in OTC and an ongoing dialogue and improved communications need to be developed with all parts of the organisation. This could be done through regular consultation with the centre and with each department in terms of its preferred methods of working. Examples include working through DMTs, senior manager briefings, face-to-face communications, emails and team briefs to line managers. Consultation with staff can be done through existing union and direct channels, as well as through email and paper-based surveys where applicable. HR also needs to do more to promote the strategic role of the HR function across the organisation and explain it. The HR business partner on each DMT needs firming up and HR issues need to be taken seriously at top level. This means implementing the HR/OD review, having business partners in each DMT and reinforcing the role and effectiveness of shared services.

In general, this task was tackled more effectively than the first one in the case, even where answers to Task 1 were weak. Indeed, better answers focused on communication systems within the organisation, although some of these were unable to provide clear guidance and action plans on how to develop HR strategy within OTC. The 'how to communicate it' element of the question did not seem to pose too much difficulty but many candidates had no idea where to start developing an HR strategy. Better answers considered stakeholder analysis and seemed to recognise the importance of reflecting business priorities.

Surprisingly, a number of candidates appeared not to understand that this task followed logically from the first. Most candidates were, however, able to produce some relevant material on how OTC might develop its strategy. In comparison with previous examinations, most answers appeared to provide some realistic proposals, although the communication section was not always well developed

#### **Task 3**

This asked candidates to identify and evaluate up to three external demographic, social or technological trends, which are likely to affect the delivery of the Council's revised HR strategy. Candidates were expected to justify their choices of each of these.

Candidates had a very wide choice of options to draw upon here. But it was very important that they justified their choices of these external contexts. Any three demographic, social or technological choices could be identified and they could be drawn from a range of issues such as population trends, the working population, family structures, gender and social stratification, social attitudes and developments in technology.

Again, and disappointingly, there were some patchy performances in responses to this question. Some candidates coped well with it and others floundered. Difficulty seemed to emerge in evaluating the trend and linking it to the delivery of a new HR strategy for the Council. Where identification of external trends was poor, there was little justification of the choices made.

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At a more general level, what should have been a straightforward task and, indeed, there were some sound attempts at it, some of the 'trends' identified were not mainstream ones. Candidates therefore struggled to show their impact on the HR strategy.

#### 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*

Candidates were asked to draw upon organisational practice and research and examine how organisations are adopting different structures, such as shared services, for delivering HR within them.

Research shows that many large organisations are attempting to implement Ulrich's multi-legged model of HR delivery. This has resulted in HR functions becoming more specialised and being divided between shared services, business partners, centres of expertise, outsourcing, or vendor management, overseen by corporate HR, which has led to changing skill requirements in the HR profession. Candidate needed to outline the main features of each of the above sets of HR activities.

Many answers to this question were generally good. Most candidates could explain the three legged model and put it into practice. Others did a fair job of presenting Ulrich's multi-legged stool model, although in many cases a summary of the model did not always present a clear explanation of it and these answers provided scant detail and analysis of Ulrich's research. Those who did not achieve a pass grade typically did not demonstrate any understanding of the HR framework associated with shared services.

#### Question 2

*Learning outcome: 1*

This question was about 'new organisational forms' and candidates were asked:

- i. To draw upon research and explain what these 'new organisational forms' are and the reasons for their emergence.
- ii. They also had to explain why, in other cases, bureaucratic forms of organisation have continued to survive.

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New organisational forms have been prompted by reactions to bureaucracy and fast markets. This has led to the search for effective methods of managing organisational change and dealing with the speed of economic and social change within contemporary societies.

This is done in the belief that conditions for stable bureaucracies no longer exist, change is endemic in the contemporary world and societies, and economies are characterised by a preoccupation with the speed in which things happen. The origins of this debate can be traced back to Burns and Stalker (1961). By this analysis, organisations need to be flexible, lean, decentralised, promote teamwork, maximise organisational learning and be more socially accountable. Issues such as hierarchy, division of labour, integration, control, and rewards are involved. Although 'mixed' organisations persist, so does bureaucracy. This is largely because it is an established, known quantity, it is easily structured and organisations tend to be led by conservative, technocratic leaders. Inertia sets in and if it works, organisations remain classically structured.

This was not a popular question and these responses were generally weak. Few scripts had a good grasp of the major theories that have been in place over the last few years. And the reasons given for emergence of the new forms were only very basic. Most candidates could however, put forward some arguments for the continuation of bureaucracy.

#### Question 3

*Learning outcome: 2*

Candidates were asked to give a talk to new starters in a local business on 'Why quality is important, how it is organised and the implications for managing people', drawing upon research.

Quality is important because it derives out of the demands of customers in an age of globalisation and international competition. In today's business context, there are penalties for unsatisfactory poor quality or service. Competition is greater. But quality increases not only productivity but also costs, productivity and quality are complementary. Organisations understanding their customers' needs prioritise quality. Quality also means improved business performance. Quality is a way of organisational life and of doing business. There are various models of quality management, including quality control, quality assurance, total quality management, ISO standards and business process engineering – any of which could be explored. The HR implications arising from quality management include involving employees, providing learning and development opportunities, promoting teamwork, performance management and by building trust relations with staff.

This was a popular question but a lot of candidates seemed to answer it 'off the cuff' rather than drawing from anything they had read. The basic sentiments expressed about quality being good for customer satisfaction levels and customer loyalty included (mostly) TQM or ISO9000. This was presumably to answer the question about how quality is organised but few candidates could say what these standards meant. The implications for managing people were commonly ignored, so these scripts lost marks for not addressing all parts of the question set. Where an answer to this part of the question was forthcoming, it was generally a sound one.

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The main weakness in answers was failure by candidates to deal with all three parts of the question. Where one or two parts were not particularly well-answered, and the third ignored, candidates typically failed. But most candidates were able to say something of relevance.

#### Question 4

*Learning outcome: 2*

This question was about managerial legitimacy and candidates were asked:

- i. What is managerial legitimacy and why is it important in organisations?
- ii. Drawing upon current organisational practice in their organisation, how do managers gain legitimacy within it?

Given the complex nature of power, authority and influence to make decisions in organisations, a major task for managers is gaining a sense of legitimacy and justification from those working for them. In this way, managerial power is not questioned. Questioned power is illegitimate power and can result in managers having to enforce their authority. This can result in unintended consequences for management and the organisation. Challenged power is also time-consuming, since managers want to get things done efficiently and effectively, without wasting their time responding to such challenges. Modern managements prefer to manage by consent rather than by enforcing naked power. There are various ways of gaining legitimacy, given that enforced power is illegitimate. These are based on administrative knowledge or accepted rules, technical expertise or knowledge power, and ideas or normative power including moral persuasion. However, managers also have economic power and control over organisational resources, so they can use reward systems (pay, benefits, promotion etc) to gain some partial legitimacy through the economic calculation or instrumental compliance of workers, either directly or by collective bargaining.

This was not a popular question and the majority of candidates attempting it did not provide convincing answers. For example, the concept of legitimacy was not understood and the second part of the answer was confined to how staff were directly managed. From the answers provided in this cohort of responses, there seems to be an assumption that managers automatically have legitimacy. Few students had any grasp of underlying power relations or consider any form of intra-organisational conflict perspective in their answer. There was not only little appreciation of what managerial legitimacy is but also few relevant suggestions on how managers could gain legitimacy within organisations.

#### Question 5

*Learning outcome: 4*

The question was about the structure of the UK economy and asked candidates to:

- i. Draw upon research and critically evaluate the main changes that have taken place in the industrial structure of the UK during the past 50 years and explain the reasons for this.

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- ii. Discuss the labour market implications arising from these changes, providing examples where possible from their organisation.

The industrial structure of the UK economy has changed significantly over the past 50 years as well as its economic geography. Manufacturing now accounts for about 10 per cent of GDP, partly due to competition from the tiger and BRIC economies. These countries pay lower wages and have lower social security costs, as well as plentiful supplies of skilled labour. Sectors and industries that have expanded over these years include financial services, retailing and business services. Industries complementary to these, such as construction, have also benefited from these structural changes.

Public policy has promoted freer trade and an open economy and markets, leaving the UK economy to be penetrated by cheaper imports. Large-scale privatisations have led to high levels of inward investment in the UK corporate sector by sovereign wealth funds. The labour market implications include a decline in collective wage bargaining, skilled labour shortages partly responded to by high levels of immigration into the UK, a more flexible labour market, higher levels of unemployment which fluctuate with the trade cycle, greater insecure employment and geographical imbalances in labour supply and demand, with London and the south-east the major beneficiaries on the changes.

The best responses to this question were encouraging and were able to demonstrate a good appreciation of changes to the industrial structure, with sound reasons explaining it. But the labour market implications were not as well demonstrated, with the exception of the very best answers. In other scripts, some candidates interpreted the question as changes in the demographic structure of the UK or social structure of the UK not the industrial structure. This basic error lost marks for candidates.

Better answers could cite sector change, such as from manufacturing to services, and changes that have seen swathes of the public sector privatised. The reasons given for this varied in their quality and levels of sophistication. In these responses, the labour market implications were generally dealt with satisfactorily, provided that the candidate had focused correctly their answers to the first part of the question.

Overall, a few candidates produced good answers but many wrote about labour market changes rather than changes in the industrial structure. They then struggled to deal with the second part of the question, having already dealt with it in the first part.

#### Question 6

*Learning outcome: 4*

This question was about market competition in the UK and candidates had to explain:

- i. Why in advanced market economies like the UK, market competition is rarely 'perfect', illustrating their answer with the types of market competition that exist in practice.
- ii. Why government regulates the labour market and employment relationships in the UK.

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There are few free markets in advanced market economies mainly because of the large scale of modern, multi-national businesses operating globally. Competition amongst producers and suppliers is often intense but in many sectors big businesses are price-makers, not price-takers. The market structures that exist together with lack of full knowledge of markets by consumers (whether individual or corporate) lead to market imperfections. Thus market competition ranges from perfect competition to monopolistic competition to oligopoly and monopoly.

Candidates could briefly explore each of these structures and outline their main features.

Because markets can operate below the optimum use of the available resources, governments find it necessary to intervene in them for economic, social and moral reasons.

In terms of regulating employment relationships and labour markets, government intervention includes the statutory minimum wage, employment protection, health and safety at work, equal opportunities, job seekers allowance and training. Pressures for this come internal and externally, from the EU for example.

A reasonable knowledge of free market principles was evident from some answers and a sound explanation and examples of why markets are rarely perfect given. These scripts were also able to explain why governments intervene in labour markets and employment relationships. But generally, given the primacy of market economics in the UK, most answers were weak. Very few of these answers were able to explain the nature of competition and the principles underlying it. There was a lot of discussion about Airlines, Virgin Trains and the West Coast rail line and so on but no real understanding of the basic economic theory behind the question

#### **Question 7**

*Learning outcome: 5*

This question was about globalisation and it asked candidates to:

- i. Draw upon research and explain what globalisation is and what the cases for and against it are.
- ii. Explain how globalisation affects their organisation.

There are a number of definitions of globalisation but basically globalisation is market capitalism based on international free trade. The case for globalisation rests on the view that it is a commercially and socially benevolent process, adding the sum of human happiness. The economic case, it is claimed, for global free markets is that globalisation rests on common sense, since economic protectionism leads to bloated, inefficient countries, business closures and job losses. It promotes growth and the sharing of the added value by enabling poor countries to become richer and the 'trickling down' effect of wealth creation. It promotes enterprise and innovation and creates jobs and better deals for customers.

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Critiques of globalisation range from the studies by Stigler, Klein and others to the anti-globalisation protest groups. But the main elements in the anti-globalisation movements include claims relating to market failure, market creep or democracy being superseded by the primacy of the market, intellectual property becoming privatised, unemployment rises, and the eco-environment and human rights deteriorating. Candidates also needed to explore the impacts of globalisation on their own organisations.

This was a very popular question, attempted by a lot of candidates. Most responses provided a broad notion of what globalisation means, although some candidates seemed to think globalisation was just about IT, meaning business could trade anywhere at any time. There was, however, almost universally a lack references to research in the responses. Answers to the second part of the question varied, and was largely dependent upon whether the candidate had read the question properly and referred to their organisation. These answers were clearly better than general responses about effects. It was interesting to note how many candidates referred to globalisation as a 'contested phenomenon'. This could indicate that classes go through past papers with a tutor and get to know how to answer particular questions well. However, when faced with new questions they cannot always apply knowledge and understanding in an effective way.

In general, where candidates were able to provide a reasonable explanation of globalisation, they passed. The second part of the question was typically competently answered. Those who failed showed, in their answers, little knowledge of the concept.

Candidates working in public sector organisations, when answering a question in this area, need to work out carefully how globalisation impacts on their organisations. It means more than just a few doctors and nurses coming in from the EU and India.

#### **Question 8**

*Learning outcome: 5*

In this question, candidates were asked to draft a short talk to a group of students at the local sixth-form college on 'The European Union: what it stands for and how it benefits the business community', drawing upon research.

The EU or European project is a political and economic system combining elements of a supra-national state and an intergovernmental body. However, there has always been ambivalence about political union amongst its political leaders because power is based in the nation state. Recently, the EU has been challenged by events taking place within the Euro-zone countries and the Euro currency. Political, economic and social principles underlie the EU project. These include social peace, security and safety, economic and social solidarity, promoting the European model of society, and promoting and supporting human rights and social progress. The Treaty of Lisbon 2009 stresses democracy and transparency, economic efficiency, solidarity and security, and Europe as an actor on the global stage. The main benefits to the business community arise from the European single market, the free movement of capital and labour, and being part of a market incorporating almost 500 million people. Transnational enterprises particularly benefit from their key positions within the global and European economies.

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Somewhat surprisingly, this was not a popular question. Those tackling it knew what the EU stands for and this part of the answer was generally answered competently. However, the extent to which the EU benefits the business community was often focused on candidates' own organisation. Responses needed more than this to gain a safe pass standard of performance and also some research to underpin these answers.

#### Question 9

*Learning outcome: 7*

Candidates were asked to write a short article for a local business newsletter on 'The impact of up to three recent government policies on my organisation', drawing upon current organisational practice.

Candidates had a wide choice of recent policies of the Coalition Government to choose from, providing that they justified and explained their choices and demonstrated what the impacts are. The obvious areas to be highlighted include the effects of government's macro-economic policies such as reducing the structural deficit through cuts in public spending, taxation and further de-regulation of the labour market. But social policy could be included, such as welfare payments reform, public sector pensions and continued reforms of public services. Education and training policy, such as higher education, could be debated too. But relevance and justification were the key issues requiring to be addressed by candidates.

This was a popular question but it tended to generate narrow answers in terms of recent government policies, usually single policy issues such as 'cuts' which very headline-driven and showed little awareness of coalition policy in wider senses. The impact of changes on candidates' own organisation gave these students licence to talk about their own organisations in depth. Strong candidates were able to do this comfortably. However, what should have been a straightforward question did produce a few good answers. Most responses, however, were around the pass grade, usually because there was limited assessment of the impact of government policies

#### Question 10

*Learning outcome: 7*

This question was about business interest groups and how they influence public policy. Candidates had to address two issues:

- i. Drawing upon research and/or current organisational practice, they had to critically examine how business interest groups try to influence the policy decisions of government, giving examples in their answers.
- ii. They also had to identify and discuss some of the ethical issues involved in corporate lobbying.

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In modern societies such as the UK, formal participation in politics extends beyond voting in elections. Individuals, groups and organisations try to influence government policy decisions. Business interest groups or pressure groups, such as the CBI, employers' organisations and chambers of commerce attempt to do this. Their representatives try to gain access to those taking policy decisions and lobby key players including the prime minister (or first minister), members of the cabinet, government ministers, MPs, member of the House of Lords, and senior public officials. The factors affecting pressure group influence and power include membership size, quality of leadership and financial resources. Other factors include the legitimacy of the interest, their 'insider' or 'outsider' status, and public opinion. A host of ethical issues and dilemmas arise out of corporate lobbying. These include the fairness of the process where some groups have more resources to deploy than others, the transparency of corporate lobbying, the potential of exchange of monies between the parties, to what extent lobbying contributes to the common good or not, and whether some power-group lobbying undermines the democratic process.

Disappointingly, given the power of business interest groups in the UK, this was not a popular question and generally the standard of performance in answers was weak. Examples of lobby groups included trade unions (followed by prolonged discussions about strikes), which are not business interest groups but organisations representing workers, and employers groups lobbying government over fuel prices, for example. But most answers were weak and confused. Further, there was poor appreciation of what is meant by the term interest groups, leading to poor examples of how they influence government policy. The ethics of corporate lobbying was not well considered, if at all by some candidates.

### Conclusion

The pass rate in this examination diet was 56.8%. The marking team is of the view that this examination paper provided a good test of all the learning outcomes 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:

- In general, answers to the case study were disappointing on this occasion. This is more especially so, given the opportunity that candidates have to read and consider the case study in advance of the examination. Further, the majority of candidates provided inconsistent performances between the three questions asked. Some indication that students had considered likely *questions* associated with the scenario provided, rather than the possible *issues* needing to be addressed and responded to in the case organisation, was evident from the similarity in the structure of answers given by candidates in some centres. More generally, powers of critical evaluation and justification of the answers given (when required) need to be improved by most candidates and centres.

Generally, many candidates did not appear to be well-prepared for the case study examination. These candidates did not seem to have grasped the elements in the case, given they have had time to read and work on the case study in advance. Some of them

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relied on SWOT and PESTLE analyses and had clearly prepared on the basis of the format of the last paper. But this was *not* the format of this paper. It seems that weaker candidates find it hard to work at a strategic level. Thus there were occasions where it appeared that candidates had prepared explicit answers/approaches, using these frameworks in advance. They were determined to use them irrespective of their relevance to the questions set.

It is also clear that some candidates do not understand how to respond to case studies. They need practice in advance of the examination on how to apply concepts and models to practical cases.

To sum up so far, many candidates struggled with this case. It was hard to see any effective preparation for the case study in these instances and, to repeat, this is not good practice since candidates had sight of the case study well before the examination.

A few candidates had the sense to look up what some other local authorities had been experiencing but this was not always in line with the problems faced by OTC. There were doubts within the marking team that there are parallels between OTC and some of the comparator authorities identified by candidates.

Where a strategic dimension is required in case (as it commonly is), candidates need to understand the types of business strategy organisations commonly adopt (such as rational and emergent approaches, for example), as well as the differences between 'best practice', 'best fit' and the 'resource-based view' of the firm models of HR. More importantly, they need to know where these models are relevant, where they are applicable, and how to apply them.

To conclude, the case study questions continue to create problems for some candidates. In general, preparation seems to be poor (and anticipating questions is not a recommended approach) but hints normally appear in the case what learning outcomes are likely to be examined in the formal examination.

- In Section B of the examination, candidate performance was variable. A major issue identified by the marking team was that candidates continue to lose marks by not addressing *all* parts of a question. In some cases, this applies to those questions that have two specific sections; in others where up to three tasks are required to be addressed.
- Another reason for failure or low marks is the poor examination technique that is displayed in places. Time management issues result in insufficient time being given to answer one section of the examination or another (usually Section B), whilst some answers in Section B are often too brief, too descriptive and unfocused on the question set.
- In this examination diet, it was noted by the marking team that references to research were generally thin throughout the scripts. In this examination,, there were also very few

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references to the chief examiner's core text, which is not only closely mapped to this unit of assessment but also provides extensive reference material that candidates can draw upon in their studies. However, candidates seemed to be on more comfortable ground when they were asked to discuss their own organisations. But this is M level standard, so academic knowledge and understanding must be brought to bear and be seen to be applied by candidates in these types of answers.

- Interestingly and encouragingly, the case study part of the paper was better answered by stronger candidates than their short-answer questions in Section B. The case itself provided a good topical test of the ability of these candidates to apply HR strategic concepts to a public sector environment and most of their answers demonstrated a sound knowledge of appropriate theory, although sometimes this was less well applied to the scenario provided.
- The range of questions in Section B seemed to cause more problems to all candidates, with some who performed on the margin in Section A falling well below the pass rate in Section B.
- As this is an M-level examination, candidates are expected to provide evidence-based answers to the questions set, drawing upon relevant research and good practice of HRM in its contexts. This means that they are expected to read around the subject matter of this module. At a minimum, the core text provides an overview of the literature and identifies and reviews key studies in this field of professional knowledge and understanding. But this is not enough and 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.
- It was noted by the marking team that there was a very long tail of candidates (33 scripts or 34.7%) who achieved a mark less than 45%, with 12 of these candidates having marks less than 40%. This means that 12.6% of all candidates sitting this examination had an overall mark of less than 40%. Some of these may well have been re-sit scripts but clearly a minority of candidates are finding it difficult to demonstrate anything near M-level performance in the examination.

I would like to acknowledge my team of markers for contributing to the assessment process on this occasion. The markers were Derek Adam-Smith, John Ashcroft, Helen Bessant (a new marker), Chris Evans, Alan Peacock, and Amanda Thompson.

**Professor David Farnham**

Chief examiner