Chartered Institute of Personnel and Development

Advanced Level Qualification

Human Resource Management in Context (7HRC)

September 2015

28 September 2015 09:50 – 13:00 hrs

Time allowed – Three hours and ten minutes
(which includes ten minutes of 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 coincidental.

You will fail the examination if:

- **You fail to answer five questions in Section B (one per subsection, A to E)**
  and/or
- **You achieve less than 40 per cent in either Section A or Section B**
  and/or
- **You achieve less than 50 per cent overall.**

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SECTION A – Case Study

Note: In your responses, you are allowed to improvise or add to the case study details provided below. However, the case study should not be changed or compromised in any way.

Area Council and Neighbourhood Council are two British local authorities, with Council offices about 20 miles apart. Both have large towns and extensive rural areas in their constituencies. Due to their proximity, the Councils have common interests relating to economic growth, economic development and unemployment. The stringent financial constraints facing them, following the UK Government's public spending reviews, have resulted in both Councils agreeing to create a single management structure and to merge services. Merging of services began last year, when it was decided to create an Interim Shared Senior Management Team (ISSMT) from the two existing teams. Both authorities had previously successfully tried joint working in financial services, resulting in savings of around £400,000, but there were some initial difficulties in implementation.

Both authorities are controlled by the same political party. Area Council has outsourced some service management and service delivery to external companies in engineering support and customer services. Under the former Comprehensive Performance Assessment, Area Council was rated as a 'fair' authority and Neighbourhood Council an 'excellent' one.

The drive for merger is financial. From the outset, it was not intended to merge the two councils at political level. Neither does either Council plan a decline in service standards. But indicative figures suggest there will be an initial reduction of senior management jobs from 20 to 10 posts. These will create on-going savings of £800,000 per year, with one-off redundancy and pension costs of around £700,000.

The restructuring is seen as producing immediate benefits. The policy decision is to merge staff at all levels and all disciplines, but they will remain employees of their existing Council. This is likely to create net staff savings over the next four years of around £1,600,000, while budgeted savings in the following three years are about £8,000,000. This includes reducing the two authorities' service manager jobs from 35 to 24 posts.

The two Councils are also implementing a 'Fit for the Future' programme, based around lean continuous improvement systems, with further savings of £1,700,000. This aims to review all the services provided to residents and make sure they are valued. The internal systems of the authorities will be challenged to ensure that their workforces are providing services cost efficiently and effectively. In this process, the two Councils are committed to:

- Delivering high quality, effective and efficient services that customers value
- Empowering and motivating staff to influence and improve the services provided
- Delivering a balanced budget for the Councils and meet future budget challenges

- Working effectively with their partners to the benefit of the Councils' customers
- Using their resources flexibly and to maximum effect.

The political leaders and senior managers in the two authorities realise the pace of change will have to be fast. They wish to retain their distinct political identities but want to merge their officer structures at all levels and virtually all teams. In addition to the underlying aims of achieving major efficiency savings and improved customer satisfaction levels, at a time of financial austerity and a national pay freeze, the authorities plan to award their staff a two per cent pay rise (except for senior management) through a local agreement, although the staff union is disorganised in both authorities.

The overall Vision underpinning the changes are:

- Retaining the sovereignty of the two Councils as separate bodies
- Sharing services wherever it saves money, with no loss of service quality
- Putting savings into services
- Reducing jobs because of sharing
- Adopting a robust selection process based on ability rather than organisational background.

Given the external pressures, and after discussions in the ISSMT, the newly appointed Shared-Chief Executive Officer (SCEO) has asked an independent business consultant to review how organisational change can be managed in the two authorities as quickly as possible. Middle managers will be responsible for implementing these changes. This review must accommodate 'The Vision' and organisational contingencies, as well as the impact of change on quality of services and the management functions in the two organisations.

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As a starting point in the change management programme, the SCEO has asked you, the business consultant, to prepare a report, drawing on research and/or good organisational practice. Your report should cover the following.

1. **Justify the case for the Interim Shared Senior Management Team (ISSMT) consulting with staff on managing change within the two authorities, but without seeking total internal consensus in the matter.**

2. **Provide guidelines on how EITHER the merged HR function OR the merged finance function can be effectively structured and managed within these two organisations.**

3. **Outline why cost-effective quality of service is important to these two local authorities and how it might be maintained.**

4. **Identify the core management skills required by middle managers when implementing the organisational change programme aimed at creating merged services, including the main HR skills.**

It is recommended that you spend an equal amount of time on each of the four tasks.

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SECTION B

Answer FIVE questions in this section, ONE per subsection A to E. You may include diagrams, flowcharts or bullet points to clarify and support your answers, so long as you provide an explanation of each.

A

1. Having a written corporate strategy is now an important feature of most businesses, public services, and third-sector organisations.

    i. Explain why this is the case.

    AND

    ii. Drawing upon research and/or current practice, critically evaluate any **one** model of corporate strategy.

OR

2. Drawing upon research, you have been asked to give a talk to a group of trainee managers about the importance of HR strategy in organisations.

    i. Select any **one** model of HR strategy (such as best-practice HR, for example) and explain its main features.

    AND

    ii. Critically evaluate the weaknesses of your chosen model.

B

3. Assess how your national government's macro-economic policy, is currently affecting your organisation in terms of its products and/or services, labour markets, and HR practices.

OR

4. You have been asked to give a presentation at a conference attended by managers who will be working in Europe. Your brief is as follows.

   Drawing upon research, explain and compare the main differences between the UK market economy and the European social market model in terms of their financial systems, labour markets, government policy, and welfare systems.

   Draft what you will say and why.

C

5. Commentators claim that globalisation can be viewed as a positive, negative or even marginal process. But regardless of whether globalisation works for good or for ill, its exact meaning continues to be the subject of debate among those who oppose, support or simply observe it.

   i. In the light of this statement, and drawing upon research, explain what globalisation is and why it is important.

   AND

   ii. Examine why globalisation is such a controversial and contested issue.

OR

6. Select any one international non-governmental organisation (the Organisation for Economic Co-operation and Development, for example) and, drawing upon research, critically assess its role in the global economy.

PLEASE TURN OVER

D

7. Successive reports have argued that the size of the world's elderly population is expected to swell by 200 million within 10 years to more than one billion and to two billion by 2050, with the number of centenarians projected to increase to 3.2 million in 2050. In Britain for example, there are projected to be half a million centenarians by 2066, with one third of babies born in 2012 expected to celebrate their 100th birthday.

    i. Drawing upon research, examine the factors contributing to an ageing population, within a named country of your choice.

    AND

    ii. Discuss some of the implications of an ageing population for policy-makers and employers.

OR

8. A number of surveys show that immigration is one of the biggest concerns in the UK population. A report by British Future, a think-tank, for example, has revealed that people worry more about immigration as a national than a local issue. In its State of the Nation poll, it was found that 19 per cent chose immigration as a top local worry, while 30 per cent placed immigration first when thinking about tensions facing British society as a whole.

    i. Why is immigration into the UK perceived to be a concern by some people today?

    AND

    ii. Drawing upon research, critically examine the case for immigration into the UK, including the benefits for employers and the state.

E

9. You have been asked to make a short presentation to a group of students at a local college covering two issues:

    i. Explain why businesses try to influence political authorities at local, national and, in the case of the European Union (EU), at EU levels.

    AND

    ii. Discuss how they do this.

    Drawing upon research and/or current practice, and using examples, draft what you will say and why.

OR

10. You have received the following email from a new managerial colleague.

    'It is clear to me that in the twenty-first century, there is a rich range of legal regulation of the individual employment relationship between employer and employee. Please:

    i. Explain to me the reasons for this growth in employment law

    AND

    ii. Select one piece of employment legislation and outline its importance in managing people in our organisation.'

    Draft a response to this email.

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 “Insights, Strategy and Solutions” professional area of the CIPD Profession Map.

On this occasion, 314 candidates sat the written examination. Of these, 198 achieved a pass standard or higher giving an overall pass rate of 63%. The breakdown of grades is shown below. There were wider variations in examination performance among centres on this occasion than is normally the case.

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Grade	**Number**	**Percentage of total** (to 1 decimal point)
Distinction	6	2
Merit	26	8
Pass	166	53
Marginal fail	15	5
Fail	101	32
Total	**314**	**100**

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

Learning outcomes: 1 and 2

This section consisted of a seen case study with four questions, where candidates were expected to answer all questions in a report format. The case-study organisation, which was two local authorities, 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 (LOs) 1 and 2.

There are a number of ways in which this case could be approached but the practicality of responses was more important than providing 'ideal' solutions to the questions put. The following summary points illustrate the kinds of issues that could be examined and developed in answers.

In responses to the case study questions, very few candidates took notice of the request to write their answers in the form of a report. Answers were generally clear but too many candidates failed to ground their responses in the case-study material and therefore failed to demonstrate a good understanding of the context in which the case was set.

Better candidates had clearly prepared by reading about local authority collaborations and merged councils in various parts of the UK and had a strong sense of what was happening to Area and Neighbourhood Councils and the implications of these changes. There were some weak scripts where candidates insisted on trying to incorporate 'prepared work' into their answers, even though the questions set bore no resemblance to this preparation. For example, these candidates typically produced a STEEPLE analysis or wrote extensively about stakeholders, ranking their relative power and influence. But these were *not* the points behind the questions asked.

Task 1

This asked candidates to justify the case for the interim shared senior management team consulting with staff on managing change within the two authorities, but without seeking internal consensus in the matter.

Change management theory commonly argues that top managers need to keep organisational arrangements under continual review because of changes in the external environment (Lewin and others).This means making organisational changes more often than previously. The basic case why senior management of the two local authorities should consult with staff, but without seeking consensus, is that traditional consultation is time-consuming, slow and uncertain in its outcomes. Speed of the change is crucial in this case and outweighs the need for full consensus to be achieved.

Changes must be seen to produce early benefits for the two authorities. This means that efforts are best devoted to make sure things happen and that they work. Such momentum is likely to motivate staff, enabling them to see they are part of this initiative for change, as well as setting the tone for how the combined workforces would work in the future. In any major change process, resistance to change in some quarters is inevitable. The speed and momentum of change in this case is a key way to ensure that resistance to it does not build up or impede the change process. Staff uncertainty is a major consideration and this needs to be kept as short as possible, as a way of making any transition easier for them. Trade union resistance to these proposals is likely to be weak. Getting full support of the political leadership to the principles contained within the Vision, and the authority to make it happen, is a very important contingency

Candidates who achieved M-level standard in this question responded competently. The extent to which references were made to change theory varied, with some answers very well grounded in the literature but others where no references to research were made whatsoever. Some scripts focused on legal consultation processes around redundancy and this was accepted as a legitimate answer. Better marks were given where students touched on the ‘without reaching consensus’ element of the question and provided a reasoned response.

Weaker candidates failed to mention consultation and focused instead on communication. These answers suggested that the candidates knew little about consultation or failed to recognise the differences between the communication and consultation processes. Weaker answers also provided general information that described change theory without justifying the case for consultation.

Task 2

This required candidates to provide guidelines on how either the merged HR function or the merged finance function can be effectively structured and managed within these two organisations.

There are a number of ways this question could be answered, where either of the two management functions could be selected. The basic issues involved include the size of the function, its location, how it is delivered, how the ‘Vision’ can be incorporated in the re-organisation, managing across geographic locations, the people making up the cross-authority teams, and so on. Specifics would relate to the particular function being analysed.

Many of these answers were quite good. Successful answers discussed the merged structure of the HR function, using Ulrich’s model. Others were too descriptive and described the functions of the business partner, centres of excellence and so on with little reference to the case study. Better answers contained stronger links with the case study material. Relatively few candidates, however, included any commentary on other elements of structure such as hierarchy, spans of control, location, and size of the teams. Stronger answers linked the literature to the case material; weaker answers simply recommended the Ulrich model as the basis of the proposed structure without applying it to the context of the case study. In some responses, management of the function was not considered.

Task 3

This asked candidates to outline why cost-effective quality of service is important to these two local authorities and how it might be maintained.

Maintaining quality of service is a very important function for the two authorities if they are to implement their 'Fit for the Future' programme and satisfy the overall Vision of the authorities. Quality involves a variety of systems, interpretations and techniques. But the key is the search for continuous improvement. This provides a focus on customer service and an emphasis on flexibility and quality, as well as savings.

Commitment to continual improvement increases the probability of enhancing customer/resident satisfaction and satisfying other interested parties. Implementation of a quality management system enables the authorities to analyse customer requirements, define processes that contribute to the achievement of a quality service acceptable to residents, and keeps these processes under control. An effective quality system provides the framework for continual improvement. It is designed to monitor and evaluate performance, produce management information, and identify components of the service that can be improved. The overall objective of effective quality management is to deliver a consistently high level of customer service throughout the councils' areas of responsibility in an efficient manner, with a reduction in resources.

Responses to this question ranged from some merely repeating the need for cost effectiveness outlined in the case to more considered answers where candidates had conducted background research and showed additional understanding of the organisational context. Very few candidates considered the implications of providing a poor quality service. In terms of how this service might be maintained, some better scripts applied a level of original thinking by suggesting a range of quality management processes. Others barely addressed this part of the question.

Task 4

This asked candidates to identify the core management skills required by middle managers when implementing the organisational change programme aimed at creating merged services, including the main HR skills.

It is difficult to encapsulate the full range of management skills needed by middle managers, who are leading this initiative to achieve successful organisational change in these two authorities. The sorts of skills required by middle managers implementing change are likely to include: focus on the tasks to be achieved; willingness or not to drive change at speed and take acceptable risks where necessary; working for success and not dwelling on possible failure; ability to create flexible and multi-talented teams; courage to challenge oneself, senior management and the status quo; ensuring managers have good relationship skills; understanding and supporting people; and personal resilience.

There is also an intangible factor in this case - the people themselves and a possible sense of pride in the services and achievements of the two councils. Despite the major changes and potentially heavy staff workloads, the following are important factors in the process: staff professionalism in maintaining good relations with each other, accepting the rationale for the changes, and maintaining acceptable levels of public service with a detachment from their own personal circumstances. Such intangibles are inevitably partly luck and the personalities of those involved. However, effective leadership, role modelling, the manner in which the change is managed, formal and informal training and support provided by top management plus pride in public services amongst middle managers could be major factors in achieving success. No single prescriptive approach is implied here.

A variety of HR skills provided by middle managers can be identified. The reality is that some of these managers will become incorporated into the new organisational structure, whilst others involved in the change management process may be made redundant or take their occupational pensions. The HR issues to be considered include: how people are to be selected for appointment to the new posts; how others are dealt with in managing redundancy; employee counselling; whether to break up successful teams or retain them; management training for delivering the changes and for the future; motivating the new workforces; re-building trust with staff; and the extent to which service teams may be cross-authority. The roles of HR services, in providing support, and the union, through consultation, in this process are also relevant issues for consideration.

Mintzberg was frequently cited as research informing the answer to this question. Some candidates did not have any problems identifying core management skills, although several confused knowledge and understanding with specific skill sets. The HR skills part of the question was often omitted by weaker candidates. But better answers incorporated this and managed to include a pertinent set of skills, given the nature of the issues presented by the case material.

Some good responses outlined skills that were relevant to managers in the organisation, relating to change and management style. Too many candidates, however, discussed generic issues such as upward/downward communication with few links to the case. Others were too focused on attributes such as emotional intelligence rather than behaviours. Also processes such as staff motivation or training and development were introduced but with little mention was made of the skills involved. Weaker candidates once again failed to link their answers to the case-study material.

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 A1

Learning outcome: 3

This question asked candidates to explain why having a corporate strategy is now an important feature of most businesses, public services, and third-sector organisations and to critically evaluate any one model of corporate strategy.

Corporate strategy has become an increasingly important function for all sorts of organisations, primarily because of the competitive markets within which organisations now operate and because of the increasing size and complexity of organisations. Turbulent and constantly changing markets, with discerning customers demanding high quality cost-effective services, mean organisations have to plan for the future and build in some contingencies. Hence corporate strategies address the long-term direction for an organisation as a whole. They deal with plans for the entire organisation and change, as the capabilities of the organisation develop and the environment of the organisation changes.

Much of the literature on corporate strategy is drawn from North America and a series of strategic models is identified in these works. The basic division is between rational and emergent strategy, with subdivisions in both approaches. Candidates could select any one model of corporate strategy and critically evaluate it, indicating perhaps its strengths and weaknesses, and advantages and limitations.

This question was less popular than Question 2. Answers to the first part were generally of higher quality than the second. Most candidates were able to show some understanding of why a corporate strategy is an important feature of organisations. There was little mention of the intensity of market competition, although there was sufficient coverage of issues such as the need for direction, planned objectives that are measureable, and the integration of corporate and HR strategy. Answers to the second part of the question concentrated mainly on rational or emergent strategy. Answers often were just descriptive and failed to provide an effective critical evaluation of the material, particularly a balance one. It seems that when asked for a critical evaluation of models, too few candidates consider its weaknesses as well as the strengths.

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Question A2

Learning outcome: 3

This question asked candidates to draw upon research and select any one model of HR strategy (such as best-practice HR, for example) and explain its main features and critical evaluate the weaknesses of their chosen model.

Any one model of SHRM could be examined including best-practice (BP), best-fit (BF) and variants of it, as well as the resource-based view of the firm (RBVF).The main features of BP include universal bundles, of BF external-fit, internal-fit, and life-cycle models, and the RBVF develops strategy in terms of scare resources unique to the firm. A variety of critiques exists for each model, including the bundles used and the extent to which whose goals and interests are best furthered by BP; critiques of BF include their claimed simplicity, their lack of sophistication, insufficient attention to processes of change, and their deterministic nature; critiques of the RBVF focus on industry leadership and competitive advantage, its tautological nature, not taking account of organisational dynamics, and the assumption of the economic rationality of the actors. Other critiques can be made.

This was a very popular question, which generated a range of responses but with few candidates achieving anything higher than a bare pass standard. Most candidates selected either best practice HR or best fit but not all candidates appeared to fully understand the individual models. The ability to correctly explain the main features of either model in the first part of the question then impacted on the quality of the critical evaluation in the second part. Thus where a candidate demonstrated limited knowledge and understanding of the chosen model, this weakened their evaluation in the second part to the question.

Question B3

Learning outcome: 4

This question asked candidates to assess how the UK's Coalition government's macro-economic policy, driven by its austerity agenda, has affected their organisation in terms of its products and/or services, labour markets, and HR practices.

Responses to this question could draw upon some of the following issues affecting organisations, such as the claimed objective of the austerity programme in the UK (and elsewhere). This is to reduce government's structural deficit and re-balance the national economy, in terms of output, exports and innovation, following the credit and banking crisis in 2007-08. This is being done by cutting public spending and raising taxes, which are resulting in negative/negligible growth, deficient market demand, cuts in public services, and rises in unemployment. This programme affects both the private and public sectors differently; the private sector indirectly, the public sector indirectly. The trajectory suggests demand for products and services fall, access to public services is reduced, business incomes decrease, and employment falls.

Wages barely rise with inflation and real household incomes decline, thus creating less demand for consumer goods and services and low savings. A vicious circle emerges of austerity, falling incomes, falling demand for goods and services and less demand for labour.

The impacts on HR include less recruitment and selection, no promotion, labour immobility, wage stability or wage cuts, low morale within organisations, and more people being made redundant.

This question was the more popular one in this section but, with a few notable exceptions, it was not well done. The main problems were that few candidates bothered to even summarise in a sentence or two what the main features of macro-economic policy are and/or they identified features of government policy that were not macro-economic ones. Too many candidates plunged into the effects on products, labour and HR practices without mentioning the causes. Some discussed the impact of immigration and an ageing population, which are not elements of macro-economic policy.

Question B4

Learning outcome: 4

This question asked candidates to give a presentation at a conference attended by UK managers who will be working in Europe. The brief was to draw upon research and explain and compare the main differences between the UK market economy and the so-called European social-market model in terms of their financial systems, labour markets, and HR practices.

The finance function and the private sector dominate the UK market economy, whereas in European economies, there is more concern with partnerships between capital and labour, a public-spirited business ethos, and less privatisation. In the UK, banking is privatised, marketised and centralised, with the stock market being short-term and very important. In Europe, banking is more traditional, regulated and regional and the stock market less important and longer-term. The UK labour market has low job security, medium mobility and poor skills, compared with more job security, medium mobility and high skills in Europe.

Government policy in UK is strong, centralised, with relatively low tax rates; in Europe there are wider policy ranges, more state interventionism and relatively higher taxes. The scope and availability of the UK's welfare system is shrinking and is no longer based on universalism, but is selective with a growth of private welfare, strongly linked with social class. In Europe, universal provision is high, means testing low, and private welfare low, and links with social class are weak. All have implications for these countries' business models.

Candidates who answered this question effectively typically examined the banking sectors, state intervention, pluralism versus individualism, labour skills, and welfare policies. Among weaker candidates, there was little understanding of the differences demonstrated and some candidates were clearly 'guessing' their responses. This is not an area that appears to have been covered very effectively in some centres. It also appears that the some candidates found both questions in this sub-section difficult to answer and provide evidence and conviction to their responses.

Question C5

Learning outcome: 5

This question asked candidates to draw upon research and explain what globalisation is and why it is important.

Contemporary globalisation has many definitions, reflecting different interpretations of the phenomenon. It has come about with the increasing de-regulation of national economies, as they have been opened up to international business competition from other countries. This has affected manufacturing, services and other sectors over the past three decades. As a result, global markets are playing an increasingly significant part in business relationships, capital flows and labour mobility. Globalisation incorporates the internationalisation of economic activity, as well as its social, cultural and political dimensions, and it has implications for both private and public organisations. It impacts on those managing them, workers, customers, suppliers and local communities.

The key components of globalisation include expansion of cross-border trade, growth of ICT systems, the internationalisation of finance and production, and downsizing the public sector. It is because of its differential impacts on different stakeholders, countries, regions and localities that it is a contested and controversial phenomenon. Anti-globalisation critiques, for example, include the claim that market fundamentalism is subverting many people's human rights through market failure, market creep, infringements of intellectual property rights, degradation of labour, and its impact on the environment. Globalisation has, in short, both advocates and opponents.

It was surprising, given the frequency with which this topic appears on the examination paper, that answers to this question were not better than they were. Some candidates failed to provide much by way of an explanation of the concept and/or why it was important. The second part of their responses was answered a little better but was often limited in terms of the scope of the material discussed. Surprisingly few candidates seemed capable of referring to research and few could recall and articulate a clear and full definition of what globalisation is and why it is important. But answers to the second part of the question generated some better responses including relevant examples

Question C6

Learning outcome: 5

This question asked candidates to select any one international non-governmental organisation (the Organisation for Economic Co-operation and Development, for example) and, drawing upon research, critically assess its role in the global economy.

There is a range of international institutions seeking to influence patterns of international trade, national economic policies and economic development. These include the OECD, IMF, World Trade Organisation, World Bank and International Labour Organisation. Most were created at the end of the Second World War and were supportive of post-war reconstruction projects. Today, in changed circumstance, each has its supporters and its critics. Supporters view these organisations as promoters of international trade and the freeing of international trade from tariff barriers and national customs duties, with the benefits associated with freer trade. Opponents take the opposite view that these organisations are too closely linked with neo-liberal economic policies, free market and global principles, privatisation, and tax-cutting initiatives, leading to growth without economic re-distribution. These principles contrast with their former Keynesian interventionist principles.

Relatively few candidates answered this question but where it was addressed it was generally very well done. This suggests it was selected only by those who were confident with the subject matter. The IMF and World Bank were the main bodies discussed where some effective and informed critiques were provided.

Question D7

Learning outcome: 6

This question asked candidates to draw upon research and examine the factors contributing to an ageing population, with particular reference to a named country of their own choice, and discuss some of the implications of an ageing population for policy-makers.

Demographic change is transforming the world and other countries' population structures. The extent and speed of population ageing depend on future trends in life expectancy, fertility and migration where significant changes in the age structure lead to an ageing population. Demographic factors are subject to less variation than economic ones over the short run. However, they have exhibited much less stability over the longer term of, say, 25 years. In the UK, fertility rates are expected to rise slightly, life expectancy to continue to increase, with decelerating net migration.

An ageing population raises challenges for societies and economies, culturally, organisationally and economically. Policy makers worry about how living standards will be affected as each worker has to provide for the consumption needs of a growing number of elderly dependants. Markets worry about fiscal sustainability and the ability of policy makers to address timely and sufficiently these challenges within nation states. The seriousness of the challenge depends on how economies and societies respond and adapt to these changing demographic conditions. Looking ahead, policy makers need to ensure long-term fiscal sustainability in the face of large but predictable challenges, as well as significant uncertainty. This is especially true as the UK (and Europe) has experienced the deepest recession in decades, which is putting an unprecedented stress on workers and enterprises and has had a major negative impact on public finances.

A limitation in most answers was absence of comment on the implications for policy makers. Some candidates lacked clarity in their arguments on the factors contributing to an ageing population. Others failed to comment on fertility and birth rates, presented issues such as health and safety at work, but failed to explain why they contribute to an ageing population. Better answers discussed factors such as advances in medical care, better nutrition and healthier lifestyles, and so on. Those at the margin usually provided brief and discursive answers to the second part of the question. Weaker answers tended to discuss why there is an ageing working population in the first part of the question rather than the causes of an ageing population.

Question D8

Learning outcome: 6

This question asked candidates to explain why is immigration into the UK is perceived to be a concern by some people today, and to critically examine the case for immigration into the UK, including the benefits for employers and the state.

Public perceptions of immigration into the UK are complex, with a number of economic, social and psychological origins. The main concerns with immigration expressed by bodies such as Migration Watch include: the scale of immigration, the impact of immigration on the labour market, housing and wages, its impact on the NHS, schooling and communities, especially in times of recession and economic downturns There are also complex components of immigration including economic migration, family reunion, asylum seekers, students, and illegal immigration.

From an employer’s point of view, the economic and social benefits of immigration include providing employment in less desirable employment and the importation of skilled workers where there are shortages. The state benefits by receipt of extra taxes, the benefits of innovation, cultural diffusion and more buying power in the economy

There was an equal split in this sub-section of the examination between those that attempted this question to the alternative one. There was, however, a marked difference in quality of responses. Those with a good level of knowledge were able to include some valid reasons for concerns about immigration and, then, in the second part, candidates considered the implications. Disappointingly, there were a number of candidates who were unable to include any valid causes for concerns about immigration. These answers focused more on the demographic imbalance, citing a lower birth rate rather than the reasons why people are living longer. There were also imbalances in the second part of the question between the implications for employers and the state.

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Question E9

Learning outcome: 7

This question asked candidates to explain why businesses try to influence political authorities at local, national and European Union levels and to discuss how they do this.

Businesses are not just economic organisations but also political ones. They try to influence any decisions of the political authorities at all levels that are likely to affect their interests or concerns as businesses. It starts with local authorities throughout the UK, in issues such as planning consents, licensing and trading. In Wales, Scotland and Northern Ireland, which have devolved assemblies, decisions taken at this level also impact on a firm's business interests. At national level, businesses may also want to influence proposed legislation, amend existing legislation, or want to influence how and where public funding is spent. With the increasing importance of the EU in public policy-making, business interests may be affected by what happens in Brussels and Strasbourg too.

Businesses adopt a variety of methods to influence the political authorities from informal lobbying as a single organisation to more formal lobbying through organised business interests groups such as national trade associations or the umbrella organisation the CBI. Companies also outsource these activities to public relations firms, consultants or independent lobbyists. Publicity campaigns conducted through the mass media are used too, and increasing use is being made of social media.

In general, answers to this question were much weaker than those to question 10. How businesses try to influence at the three levels appears to have produced difficulties for some candidates, who believed there are different reasons at the different levels. Answers to the first part of the question were reasonable but were typically limited to the desire of businesses to influence policy in ways favouring their sectors. Surprisingly, answers to the first part of the question lacked coverage of the methods adopted. These were predominantly limited to lobbying and use of mass media. In previous papers, candidates have shown reasonable knowledge of this theme, which raises the issue why there was such a lack of knowledge shown on this occasion and why so few chose to do this question.

Question E10

Learning outcome: 7

This question asked candidates to (a) explain the reasons for the growth in employment law in the past four decades and (b) select one piece of employment legislation and outline its importance in managing people in their own organisation.

There has been an explosion of employment law regulating the individual employment relationship over the past 40 years. One reason is economic policy by both Conservative and Labour governments over this period. This aimed at increasing productivity in the private sector, where unions were seen as barriers to national economic performance. For example, in the 1970s, Labour introduced employment legislation aimed at protecting groups of workers not covered by collective bargaining, as well as health and safety legislation. New Labour used legislation to establish a statutory minimum wage to try and reduce people living on benefits and make work more attractive than being unemployed.

A second reason is the impact of UK membership of the EU, especially after signing the Social Chapter in 1997. An increasing proportion of employment rights originate from Europe. Third, the fall in membership of unions and decline in coverage of collective bargaining means that some employers would be free to flout basic employment standards and act unfairly at will with their employees. Legal regulation underpins a set of minimum employment standards. Finally, because of political expediency, governments enact measures that are popular with the electorate and help secure re-election. Candidates could select any single piece of employment legislation, outline its provisions, and indicate its impact on managing people in their organisation.

There were some good answers to this question, with most candidates being able to outline the key features of a piece of employment legislation and explain how it had affected practice in their organisations. The EU was the most commonly cited cause of increased employment law. Some scripts pointed to the increase in female and ethnic minority participation in the workforce and the need to provide protection from unfair discrimination. Many candidates cited the decline of union influence but few were able explain why governments would then intervene. A few candidates tautologically claimed the increase in case law had led to greater growth in statutory employment law.

Conclusion

The pass rate in this examination diet was 63%. 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 it was a fair test of candidate knowledge, understanding and application of knowledge within the module. The marking team noted the following general points in assessing candidates in this written examination.

1. This is an M-level examination, where 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 candidates are expected to read around the subject matter of the module and provide informed, justified answers to the questions set. At a minimum, reading the core texts provides an overview of the literature and identifies and reviews some key studies in this field of professional knowledge, understanding and application. But this is not enough; candidates need to supplement this through wider reading.

These sources include academic journals, professional periodicals, and the quality press, as indicated on many occasions by the Chief examiner.

2. In too many cases in this examination diet, the quality of answers was adequate but not outstanding. It was disappointing to observe how few candidates appeared to have researched the case study or even familiarised themselves with its details. Additional research, knowledge of the sector, and reference to similar contexts was sadly lacking from too many scripts. The case study is issued to candidates four weeks in advance of the examination, so it seems reasonable to expect them to have read it thoroughly and reflected on its content before sitting the examination. In some cases, candidates appeared to have prepared for questions that were not on the examination paper, so their responses to the case-study questions were inappropriate. For example, some candidates produced SWOT and STEEPLE analyses that had not been asked for, which did not add any value to their answers. They also used valuable time that would have better used by answering the actual questions set.

3. Among some Section A answers, there was less preparation for the case study than in previous examination diets. This resulted in fewer candidates than expected demonstrating an effective understanding of the case-study scenario. Overall, the case answers were disappointing, with a higher than normal proportion not achieving a pass standard of performance. Many weaker responses did not demonstrate a sound appreciation of the case scenario and its implications. And there was limited knowledge of the subjects introduced into the case study. But some stronger candidates had researched other recently-merged local authorities and they were able to draw on these experiences in their answers, thus underpinning their responses and gaining higher marks.

4. In most cases, responses to Task1 and Task 2 of the case study were better than those to Task 3 and Task 4. This reflected clear variations in the standard of preparation and guidance provided in centres. In some centres, for example, there seems to have been little preparation in advance of what the case revealed about the case-study organisation. This handicapped candidates in the examination room, whereas in other centres the guidance provided was clearly helpful.

5. Despite being instructed ‘to prepare a report’ for the Shared Chief Executive Officer, only a handful of candidates did so, although all better answers were well presented. But too many other answers failed to ground their responses in the case-study material and to demonstrate good understanding of the context in which the case was set. Better candidates had clearly prepared by reading about local authority collaborations and merged councils in various parts of the UK. These candidates had a strong sense of what was happening to Area and Neighbourhood Councils, as well as the implications of the changes. Disappointingly, some candidates insisted on ‘shoe horning’ prepared work into their answers, even though the questions set bore no resemblance to their preparation. For example, they produced STEEPLE analyses or wrote extensively about stakeholders, and ranked their relative power and influence; these were not asked for in the case-study questions.

6. In Section B of the examination, the questions chosen by candidates seemed fairly evenly selected, except in sub-section C, Questions 5 and 6 (LO 5). However, there was a general lack of research evidence and theory in the responses given in Section B answers. There is still evidence that some candidates *either* continue to omit answering part of a question set, and are therefore not focusing on the actual question, *or* provide answers to a different question which they had prepared for. Question ‘spotting’ of this sort is always to be avoided. Candidates are urged to make sure they fully read the questions set before answering them. They need to ensure they have the correct interpretation of each question attempted. If they do not, they inevitably lose marks.

7. In general, candidate performance in Section B of this paper was variable. The pass rate in this section was about the same as the overall pass rate. Those performing poorly did so in most of the questions, as did those who performed moderately or to a high standard. This outcome reflects differences between centres and the standards of tuition and guidance they provide to candidates. Subject tutors in all centres need to prepare candidates to be able to address all the learning outcomes, as well as recognising the importance of the General Assessment Criteria.

8. Distinct patterns of responses emerged in the questions selected by candidates in Section B, with Question 6 and Question 9 proving very unpopular in some centres. Centres need to consider why this is the case and examine their strategies for teaching these topics. Candidates often performed consistently across Section B questions, with either a pre-dominantly weak profile or a pre-dominantly strong profile. Sometimes, a seemingly strong candidate heading for a pass lost possible marks by giving a wildly incorrect, low score response to a particular Section B question. Candidates are advised to consider breadth as well as depth of knowledge in preparing for Section B questions. In some instances, a better-scoring Section B performance pulled up the overall mark for a candidate. But where Section A was weak, a better performance in Section B was insufficient to produce an overall pass script. Candidates are strongly urged to choose Section B questions carefully, answer all parts of the question asked, focus on the question set, and not devise their own ‘preferred’ question topic.

9. In this examination overall, it is clear some candidates were inadequately prepared. Economic aspects were particularly not well understood, especially macro-economic policy. There was commonly some confusion with general government policy. Globalisation and business pressure groups were also two other areas that seemed to be poorly understood. This is odd given how frequently these topics are assessed in the written examination.

10. It is noticeable too in this examination the distribution of results was inconsistent, with some centres performing significantly better than others. Some centres seemed to have primed students to answer particular questions on the case study, for example, which weren’t on the paper. Consequently, too many candidates provided irrelevant information to the case study. In some cases, this meant they didn’t actually answer the

question set. Those candidates who were weak on Section A generally displayed the same weaknesses in Section B. This resulted in examination scripts that usually failed both sections of the paper.

11. To sum up, common problems persist amongst candidates who perform poorly. These include: lack of reference to the literature; lack of focus on the question set; lack of critical evaluation or analysis, which is expected at M level; and poor time management. However, it was pleasing to note that no candidates this time produced answers in extreme note form or in tables with a string of bullet points. This message seems to have filtered through to centres. Better candidates, on the other hand, were able to demonstrate good subject knowledge, understanding of topics, business orientation, application capability, and good examination technique. Some Section B topics continue to be areas of weakness for many candidates (such as LO 4). This suggests centres should concentrate greater teaching effort around these macro-political and economic topics than appeared to be the case this year.

To conclude, I'd like to acknowledge and thank my marking team for once again contributing to the speed and quality of the assessment process. The markers on this occasion were Derek Adam-Smith, John Ashcroft, Helen Bessant, Chris Evans, Dee McGhee, Alan Peacock and Amanda Thompson.

Professor David Farnham
Chief examiner