



Chartered Institute of Personnel and Development

Advanced Level Qualification

**Human Resource Management in
Context**

January 2018

Date: Tuesday 23 January 2018

Time: 09:50 – 13:00

Time allowed – Three hours and ten minutes

(Including ten minutes' reading time)

Instructions

- Answer **all** of Section A.
- Answer **five** questions in Section B (**one** per subsection).
- Read each question carefully before answering.
- Write clearly and legibly.

Information

- 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.

7HRC – Human Resource Management in Context

EXAMINER'S REPORT

January 2018

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% in either Section A or Section B
and/or
- You achieve less than 50% overall.

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.

INTRODUCTION

Established in 2010, the All-Green Products Company (AGPC) is a small, green start-up business in the non-metallic sector, which recycles glass into worktops. Its major economic activity is the manufacture of solid surface worktops for bathrooms, kitchens, reception desks and other surfaces, made from recycled glass. AGPC has developed its own patented recycling technology. Its resulting products have unusual design features, are stain resistant, with tried and tested internal strength. The Company does not have any secondary activities. The Company's primary competition comes from traditional materials, granite and marble, along with other types of stone. The business is always looking for new product markets, both nationally and internationally, and the management is optimistic about its future performance.

STAFFING

The Company initially had four employees and now employs fifty workers with entry-level skills. Its workforce has fluctuated between twenty and sixty workers. However, when the workforce expands, some staff appear less attached to its green agenda. Its employees include the Director, Head of Administration, Sales Managers, Designers and 'Templaters', who are responsible for visiting the homes of clients, taking measurements, and preparing blueprints. AGPC also employs a range of blue-collar workers. The blue-collar workers are responsible for different phases of the manufacturing process, such as crushing glass, constructing moulding frames, moulding, and polishing. Between four and five of the workforce are administrative

EXAMINER'S REPORT

January 2018

staff. Because the Company's activities are rare, it is sometimes difficult to find new staff with suitable skills. AGPC's approach is to train new employees through internal training, since it isn't possible to draw on external courses to do this. The best know-how is already available within the Company and not matched by external experts.

GREEN BUSINESS PRACTICES

In common with green start-up companies, its founders wanted to create a business which would be profitable and environmentally responsible. As its founders came from the recycling industry, the management of AGPC decided to develop a technology in which the 'where-possible' approach, taken by other manufacturers, would be replaced by sourcing most raw materials from recycled products. AGPC's raw materials are cheaper than those used by the firm's competitors but this does not create any significant cost advantages, because of higher production costs. There is little governmental support for promoting green business practices.

- The idea of creating the business was the brainwave of the current Director of AGPC, who is one of its owners. The development of the technology was gradual and the Company's founders experimented to develop the best way to produce utility worktops, made up of as much recycled material as possible.
- The various types of waste glass include bottles, jars, cathode ray tubes from old television sets and computer monitors, and other glass products. These are collected by the Company to minimise transportation costs.
- The waste glass is first crushed into small particles, which are then bound together in a solvent-free epoxy resin to create a surface similar in appearance and behaviour to granite. The mixture of glass and resin is moulded into frames to produce differently shaped sheets; surfaces may also be bent to produce curves. The product is then calibrated and polished.
- Final products may consist of over 90 percent recycled materials. They have favourable performance in terms of durability, staining and heat-resistance compared with non-recycled alternatives. AGPC's products have a virtually non-existent carbon footprint.
- The Director is currently drafting a basic sustainability plan for AGPC.

JOBS AND THE GREEN AGENDA

All the firm's workers need to learn different skills before they start work.

- Designers and Sales Managers need detailed knowledge of the technology applied by the Company, and its limitations, to provide the best solutions for clients.

7HRC – Human Resource Management in Context

EXAMINER'S REPORT

January 2018

- Templaters need in-depth knowledge when taking measurements and must be skilled in developing and making blueprints.
- Manufacturers of moulding frames need the ability to read blueprints and manufacture the frames accordingly.
- Crushers of glass need knowledge about the tools and machinery, which can be used to crush different types of collected glass.
- Moulders calculate the volumes of resin and glass needed and have to understand moulding techniques.
- Polishers need knowledge about the machinery, settings, speeds and types of abrasives to be used at different stages of the process.
- The Company's other sustainable practices include water recycling and minimum energy use.

Passionate about AGPC's green agenda, the Director wants to brief his staff on the key issues facing the business over the next couple of years. He has asked the Head of Administration to assist him in this.

As Head of Administration, you have been asked by the Director of AGPC to provide written responses to the following questions, drawing on research and current practice.

- 1. Identify and analyse the main Human Resources Management (HRM) issues currently facing AGPC and critically review how these are being addressed by the organisation. Justify your answer.**
- 2. Argue the business case for AGPC being a green company.**
- 3. Given the importance of AGPC's green agenda, how might the firm's Director demonstrate effective 'strategic leadership' within the business to drive this agenda?**
- 4. Identify and discuss UP TO THREE areas that might be included in the Director's basic sustainability plan for AGPC. Justify your answer.**

It is recommended that you spend 25% of your time on each of Tasks 1, 2, 3 and 4.

7HRC – Human Resource Management in Context

EXAMINER'S REPORT

January 2018

Section B

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

A

1. It is commonly argued managerial power, authority and influence are central aspects of organisational and managerial life and that power in organisations takes several forms.
 - i. Drawing upon research, distinguish between managerial power, authority and influence.

AND

- ii. Drawing upon current practice, critically review how managerial power is exerted in your organisation.

OR

2. Over the years, a variety of models and roles of the HR function in organisations has been presented by researchers such as by Legge (1978), Tyson and Fell (1986), and Ulrich and Brockbank (2005).
 - i. Drawing on research, critically evaluate any **ONE** functional model of Human Resources Management.

AND

- ii. Explain how this model applies (or does not apply) to your organisation. Justify your answer.

7HRC – Human Resource Management in Context

EXAMINER'S REPORT

January 2018

B

3. A distinction is commonly made between 'liberal market economies', such as those of the United Kingdom (UK), the United States (US) and other countries outside mainland Europe, and 'social market economies' such as those on mainland Europe.

- i. Identify and discuss **UP TO THREE** main features of liberal market economies and **UP TO THREE** main features of social market economies, indicating their implications for managing people.

AND

- ii. To what extent is the economy where you work a 'liberal market economy' or a 'social market economy'? Justify your answer.

OR

4. You've received the following email from a junior colleague taking her CIPD examinations.

"Hello, I understand there are very few 'perfect' markets in national economies, which is due to market imperfections and lack of full knowledge by consumers. Using examples, briefly explain to me what is meant by 'perfect competition', 'monopolistic competition', 'oligopoly', and 'monopoly'."

Drawing on research and/or current practice, draft a helpful reply to this email.

7HRC – Human Resource Management in Context

EXAMINER'S REPORT

January 2018

C

5. You've been invited to give a talk to a group of final-year students at the local secondary school (or high school) on the case **FOR** and the case **AGAINST** globalisation.

Drawing on research, draft what you will say. Justify your response.

OR

6. You have received the following email from a colleague in a local management club.

*"Hello, we are in discussions about a possible merger with a multi-national corporation (MNC). Please critically analyse **UP TO THREE** advantages and **UP TO THREE** disadvantages of MNCs for the countries they operate within."*

Drawing on research, provide a helpful, evidence-based response to this email.

7HRC – Human Resource Management in Context

EXAMINER'S REPORT

January 2018

D

7. There are many definitions of demography. Bogue (1969), for example, defines demography as ‘the statistical and mathematical study of the size, composition, and spatial distribution of human populations, and of changes over time in these aspects through the operation of the five processes of fertility, mortality, marriage, migration, and social mobility.’
- i. Identify and critically review **UP TO THREE** demographic trends in a named country of your choice which are impacting on the size and structure of this country’s working population.

AND

- ii. Explain how your organisation is dealing with these trends (or not dealing with them) in the short-term.

OR

8. You’ve been asked to give a talk to a group of first-year university students on ‘How technology is being used in my organisation and its implications for managing people’.

Drawing on current practice, draft what you will say to your audience.

7HRC – Human Resource Management in Context

EXAMINER'S REPORT

January 2018

E

9. Pressure groups of various sorts exist to influence government policy or legislation. They are also described as 'interest groups', 'lobby groups' or 'protest groups'. One example is business pressure groups, which seek to promote the interests of their members or supporters with the political authorities.
- i. Using examples known to you, what **METHODS** do business pressure groups typically use to influence the public policies and legislation affecting their members?

AND

- ii. Explain **EITHER** (a) why your organisation is a member of a business pressure group and what it seeks to achieve by this membership **OR** (b) why it does not belong to such an organisation and what role, if any, your organisation has in trying to influence government policy.

OR

10. Employment law is the area of law regulating the relationship between employers and their workers, including what employers can expect from employees, what employers can ask employees to do, and employees' rights at work (CIPD 2017).

Drawing on research and examples, explain the reasons for the growth of employment law in the last 40 years in a named country of your choice.

END OF EXAMINATION

7HRC – Human Resource Management in Context

EXAMINER'S REPORT

January 2018

Introduction

This report reviews the January 2018 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, 255 candidates sat the written examination. Of these, 185 achieved a pass standard or higher giving an overall pass rate of 72.5%, which is a good set of results. The proportion of distinctions is slightly lower than in the last examination, but the proportions of merits and passes are higher. However, although the proportion of fails fell, these still accounted for around a fifth of all candidates sitting the examination. The breakdown of grades is shown below

January 2018		
Grade	Number	Percentage of total (to 1 decimal point)
Distinction	7	2.7
Merit	37	14.5
Pass	141	55.3
Marginal fail	18	7.1
Fail	52	20.4
Total	255	100.0

The examination consists of two sections, a seen case study in Section A and ten short answer questions in Section B, where candidates are required 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, and 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.

EXAMINER'S REPORT

January 2018

Section A

Learning outcomes: 1 and 3

This section consisted of a seen case study with four questions, where candidates were expected to answer all the questions set. The case-study organisation, which was a green start-up business, re-cycling glass into manufactured solid surface worktops, touched on a series of issues covered in the module's learning outcomes. But the case was particularly intended to test in-depth knowledge and understanding of learning outcomes (LO)s 1 and 3.

In responses to the case study questions, candidates are expected to demonstrate M-level performance and the ability to develop logically structured and clearly focused responses to the questions put. They are also expected to show familiarity with recent research and examples of current practice.

There are various ways in which this case could be approached but the practicality and depth of responses was more important than providing 'ideal' solutions to the Questions put. The following commentary illustrates the types of issues that could be discussed and developed in answers.

Task 1

This asked candidates to analyse the main human resources management (HRM) issues currently facing the organisation and critically review how these are being addressed by the organisation.

There are a range of HRM issues that green start-up enterprises with a unique technology, like the All-Green Products Company (AGPC) may experience. One is recruiting employees with the necessary experience and skills when demand for the company's products increases, since there is no ready supply of such skills in the labour market. Further, what can be done with existing staff in times of falling product demand? Retain them or make them redundant?

Another, linked issue, is how and where to train their employees. The current solution to these issues is to recruit new staff by recommendations from existing staff, word of mouth (with possible incentives for doing this) and local advertising. Selection methods are basic and involve existing staff in this informal process. The company employs new staff on an ad hoc basis, rooting this in its immediate labour force needs. Longer-term skills needs are harder to predict, and the company does not use sophisticated recruitment methods to anticipate demand for new employees. The company must also provide immediate internal training to newly-hired employees. This training may be provided by the employees doing the job (on-the-job training), other employees doing the same function at the same level in the organisation, or by higher-skill employees who are experts in the manufacturing process.

EXAMINER'S REPORT

January 2018

It is also beneficial in companies like AGPC to have a core team of experts, with in-depth knowledge about the overall production process. This includes production methods, sales and marketing, HRM, and the impact of market trends on employment levels. Such experts may assist workers at any time when they have questions to be answered, or when they meet difficulties, or where there are skill shortages to be addressed. Work and job skills in small companies are always highly dependent on good company performance.

Anticipation of such skills may prove difficult to predict, given the changing demand for the company's products, especially when markets are hard. The search for new markets might be one solution to the problem of these fluctuations and in the number of staff needed at any one time. In the meantime, the development of transferable skills amongst employees could help AGPC increase the adaptability of its workforce to ever-changing economic and working conditions. But, ultimately, innovative green businesses need to develop their own HR solutions. In this case, it is a skills-development model, involving a core team of internal experts, who provide blue-collar workers with hands-on skills and advice as necessary.

The main HR issues facing AGPC – recruitment, training and employee engagement with the green agenda - were flagged in the case study. Most candidates were able to provide some analysis of these and to offer some suggestions for ways in which these might be resolved. Typical suggestions included: modern apprenticeships; widening the recruitment methods used; structured approaches to training; and recognising the need for workforce planning. Most candidates appeared to assume that the company would be expanding, and few considered how HR staffing could be managed if demand for its products declined. Those who did offered appropriate suggestions such as functional flexibility and annualised hours, but none considered the possible process of redundancy.

The other issues discussed were absence of a HR function or HR specialist, an ad hoc recruitment process, on the job training and limited communication with staff. Better candidates were able to deduce from the case likely problems in these areas such as recruitment subject to bias and imprecise selection methods, breaches of employment legislation, the opportunity cost of using skilled staff for training and variations in its effectiveness, lack of engagement of staff. Better answers offered some courses of action, mainly that the appointment of a specialist would alleviate these problems.

The moderate answers, which were passable, identified the HR areas of importance but were not able to provide more analysis of their effectiveness. They only provided courses of action such as an apprenticeship scheme, training staff on how to train, engaging staff through rewards and flexible working arrangements, and multi-skilling.

The weakest answers, not worthy of a pass, were commonly too brief and merely identified issues, where the only consideration was that the company must attend to them.

EXAMINER'S REPORT

January 2018

Weaker answers also focused on general business issues, rather than HR factors. Some of these answers attempted to use models from the academic literature where they did not add much value to what was being discussed.

Task 2

This required candidates to argue the business case for AGPC being a green company.

One way of responding is to identify the range of things typically involved in 'greening' a company like AGPC, which save corporate costs, promote good HR practices, and enhance competitive advantage. In AGPC, these include recycling and looking for ways to reduce energy consumption, but they also include looking at ways to adjust a company's services or products to include more environmental or socially-responsible elements. These contribute to improving the efficiency and the overall quality of the environment within the physical spaces a company occupies. Arguably, the most important factors of successful green strategies are getting employees to find green initiatives they feel passionate about and ways to communicate to customers the company's efforts to be socially responsible.

Companies gain benefits in the health, wellbeing, and productivity of their employees from greening their physical environments. By increasing the use of natural light, improving air quality and so on, firms help provide employees with healthier and more productive workplaces. Perhaps the most compelling reason for going green is that it can increase a company's sales revenues and profitability. Indeed, a significant number of consumers consider green factors in their purchasing decisions. Therefore, investing time and resources in green initiatives is not only a way for a company to do the 'right' thing but also an investment that can make big improvements to the company's bottom line.

Few candidates could provide a persuasive case for AGPC being a green company. Bottom line issues such as corporate costs, competitive advantage and sales revenue were rarely considered. Indeed, this was the least well answered question in this Section. Many candidates interpreted the question as requiring a debate about the company's green 'credentials' and sought to judge whether or not AGPC was really a green company. Consequently, the business reasons for being so tended to be addressed tangentially. Consequently, the marks awarded for this answer tended to depress the overall mark for Section A. But there were a few answers that examined the business benefits of being 'green'. These covered such themes as: the competitive advantages that accrued, both in terms of attracting customers and staff; cost savings; improved efficiency; and employee satisfaction. However, the words 'profit' and 'profitability' did not appear in many answers!

EXAMINER'S REPORT

January 2018

Task 3

This asked candidates how the firm's Director might demonstrate effective 'strategic leadership' within the business to drive this agenda.

The Director is the key player within the company for giving it a strong sense of identity and demonstrating the skills of effective strategic leadership. He is a founder member, major shareholder, and has seen the company through good and bad times in its growth and development, such as when the workforce gets larger. However, the skills of effective strategic leadership are both controversial and contested. The essence of AGPC's strategy is the determination of its direction and scope over the long-term to achieve, through its configuration of resources within a changing environment, the pathway that fulfils the expectations of its stakeholders. The essence of strategic leadership, in turn, is the process of influencing an organisation in efforts to achieve its aims or goals.

The central issue is whether organisational leaders, like the Director, are in control of their destinies or not. Is the external context the controlling or determining factor or is it the locus of influence within the organisation that determines the outcome? Put simply, the debate is polarised into competing views along the 'human agency-determinist' spectrum. In the human agency model, strategy and performance are seen to be in the hands of effective leaders. Determinist models of strategic leadership focus on identifying the determinants of organisational structures and systems, within which leaders are constrained in taking strategic actions, where the role of leader is to work within such constraints.

Responses to this question resulted in some answers that failed to distinguish the differences between strategic leadership and operational management. Better answers demonstrated clearly how a strategic leader could influence AGPC through a change process and facilitate efforts to achieve organisational goals. Weaker answers tended to describe traditional management styles with examples of how to plan organise and control the workforce without proper consideration of effective strategic leadership. Other weaker answers tended to assert the need for the Director to engage the staff with the green agenda.

Answers were generally considered as satisfactory, if candidates referred to strategic actions, intent or leadership qualities. Better answers made the connection between the context in which an organisation operates and strategic leadership and direction. They also identified the need for the development of an organisational business strategy, often basing this on a relevant framework, for example Mintzberg, and an emergent or planned approach that included a consideration of mission, values, and so on. Other candidates drew attention to the organisational context. Again, some answers examined the process of organisational leadership and how this would combine with strategic development.

EXAMINER'S REPORT

January 2018

Task 4

This asked candidates to identify and discuss up to three areas that might be included in the Director's basic sustainability plan for AGPC and to justify their answer.

A sustainability plan is developed by an organisation to achieve goals that foster environmental, community, and financial sustainability. These plans set goals that are specific to the organisation and establish guidelines for achieving and measuring the impact of these objectives. Currently, the Director is working to develop a basic sustainability plan for AGPC to complement its green agenda, which is an iterative process.

Sustainability plans create a template for creating and implementing sustainability goals and measures. Such plans allow businesses to formalise and define what sustainability is and how it will operate in a firm like AGPC. Having a plan signals an organisational-level rather than an individual commitment to environmental issues. There is no definitive template for sustainability plans and AGPC's plan is likely to be a relatively brief one. But the issues which might be included are: how social, environmental and philanthropic initiatives and strategies interact; the sustainability actions going on in the company; the outline of a sustainability strategy and its goals; a forum for aligning and cross-referencing ideas on sustainability; incorporating sustainability in decision-making; educating staff to articulate the company's position on sustainability; and the Director's role in promoting sustainability.

Answers to this question were generally good but only a few centres clearly understood the nature of sustainability plans. Answers from THE remaining candidates were not as good but were acceptable. These argued the case in terms of employee well-being and engagement through flexible working, structured training programmes, succession planning, developing employee forums on CSR, and other environmental initiatives. Other candidates were limited to initiatives such as hybrid vehicles, recyclable packaging, reduced energy use, a dedicated HR function and finding new product markets. These answers needed more reference to economic and community objectives. But here were also some instances of arguments made earlier in the second question in the case study being repeated here.

The weakest answers were where candidates appeared not to have researched what a sustainability plan was, despite it being referenced in the seen case study. Sustainability for these candidates seemed to mean 'what do we need to do to make sure the company survives' rather than 'we are aiming to sustain green matters.' To sum up, weaker candidates didn't include elements of a wider sustainability plan but focussed rather too much on financial sustainability. It was only in better answers that environmental and community sustainability were considered by candidates.

EXAMINER'S REPORT

January 2018

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: 2

This question related to LO2 and asked candidates, drawing upon research, to distinguish between managerial power, authority and influence. And by drawing upon current practice, they had to critically review how managerial power is exerted in their organisation.

Power is the ability of an individual or group of people to shape, frame and direct the actions of others, even if they resist this, towards the ends or directions determined by management. Mostly power is perceived as authority, which, loosely defined, is the legitimate power of those having it. Power is legitimate when a person with power does something according to the rules which define what person can do. Authority attaches to the person in the position, not the person per se, and is derived from the position itself. When a person acts in an unauthorised way, s/he may lose the authority they have. Influence in turn is the attempt by those in authority to modify the behaviour of others through mobilising power in one's own interests. Thus power, authority and influence are closely linked and are critical in understanding organisational life and how people at all levels act and behave in organisations. The second part of the question provides candidates with the opportunity to analyse and review the power systems/structures in their own organisations.

Not many candidates chose to answer this question. However, amongst those who did, there were some good answers to it. In these better answers, clear distinctions between power, authority and influence were provided by these candidates and appropriate organisational examples were given. For those responding to the question well, candidates drew on references such as Daft and French and Raven. Most of these candidates were also able to consider how managerial power is exerted in their own organisations, with some good examples to support their answers. Among weaker candidates, most were not able to provide clear definitions of power, authority and influence in the first part to the question, but they generally performed better in the second part of the question.

EXAMINER'S REPORT

January 2018

Question A2

Learning outcome: 2

This question related to LO2 and asked candidates, drawing on research, to critically evaluate any one functional model of Human Resources Management (HRM). They also had to explain how this model applies (or does not apply) to their organisation.

Any model from Legge onwards could be explored by candidates, who were expected to describe their chosen model and critically review it by drawing on research. Good answers could discuss some of the common themes appearing from this analysis. For example, the changing role of HR over time in response to internal and external pressures; the role of organisational contingencies facing the HR function over time; the scope of the HR function; and how the distribution of the HR function depends in each organisation on business strategy, market and competitive competition, managerial awareness, type of workforce employed, sector and size. This question was generally well answered with candidates typically achieving pass or merit grade standards. Appropriate functional models were identified, with Ulrich featuring as the chosen research model. Many candidates applied the chosen model well to their employing organisation, with better answers providing justification. Candidates who failed typically chose to describe models that were not functional models of HRM such as best-practice HRM or some other HR strategy framework.

In choosing Ulrich's models to examine, which was by far the preferred framework of choice, the main distinguishing feature in the quality of answers was the extent to which the model was evaluated, with some candidates being able to demonstrate a very good understanding of it. The second part of the question commonly included some sound and justified explanations of the extent to which the model is applied. Some candidates, for example, provided clear expositions of the way in which the Ulrich model had been adapted to suit their own organisational requirements.

For candidates who achieved a bare pass standard, however, these did little more than explain the model in the first part to the question. In this group of answers, there was very little critical evaluation. In summary, better responses used an analytical approach by looking at the benefits and limitations of the Ulrich model. Weaker answers remained descriptive with little critical evaluation of the chosen framework of analysis.

EXAMINER'S REPORT

January 2018

Question B3

Learning outcome: 4

This question related to LO4 and asked candidates to identify and discuss up to three main features of liberal market economies and up to three main features of social market economies, indicating their implications for managing people.

Candidates also had to discuss to what extent the economy where they work is a 'liberal market economy' or a 'social market economy' and why.

A liberal market economy (LME) (sometimes simply described as a market economy) is normally dominated by the financial sector where markets are price-driven, the public spirit of business is low, privatisation is extensive. A social market economy (SME), as in mainland Europe, typically involves partnerships between capital and labour, markets are less price-driven, the public spirit of business is higher, and privatisation is less extensive. Other areas of difference include between the management and goals of firms, their financial systems, labour markets (including job security and unionisation), welfare systems, and government policy. Any three main features could be analysed and evaluated, as well as the implications for managing people – such as labour management and levels of skills. Some assessment also needed to be made whether candidates work in a LME or SME, with some justification being provided for this.

This was a popular question, which was generally done competently, although some candidates struggled to achieve a pass grade. Most candidates took three economic features, for example, labour markets, welfare systems, and financial systems, and sought to show how these were different in LMEs and SMEs. Weaker answers tended to provide a brief description of these feature, while those achieving higher marks included some discussion of these features. The second part of the question was rarely answered well – many simply wrote a few lines asserting that they worked in a LME (the UK) and offered little or no justification of these responses. Among weaker scripts, candidates were unable to demonstrate that they had the appropriate level of knowledge and understanding of liberal and social market economies. These weak scripts failed to identify the significant differences between the two types of economies, which resulted in poor responses to the second part of the question. In general, these weak scripts would have been strengthened by providing more detailed commentaries on the implications for managing people, where the main comments were limited to predominance of individualism in neo-liberalist markets. Limited attention was also given to the second part of the question in these scripts, which was a further example of a deficiency in understanding the chosen topic and the application of analytical skills in answering it.

EXAMINER'S REPORT

January 2018

Question B4

Learning outcome: 4

This question related to LO4 and required candidates to understand there are very few 'free' or 'perfect' markets in national economies, which is due to market imperfections and lack of full market knowledge by consumers. Using examples, they also briefly had to explain what is meant by 'perfect competition', 'monopolistic competition', 'oligopoly', and 'monopoly'.

The main features of perfect competition include many producers, small firms, homogeneous products, and very low market concentration. Monopolistic competition has many producers, the typical firm is small, products are differentiated, there are few barriers to enter the market, and the degree of market concentration is low. Oligopoly has few producers, the typical firm is large (and probably multi-national), products are either differentiated or homogeneous, there are many barriers to entry, and market concentration is high. Under monopoly, there is a single producer in an industry or sector, the typical firm is larger, only a single product or service is produced, there are high barriers to entry, and market concentration is high. Appropriate examples enhanced responses to this question and resulted in better performance by these candidates.

There were few very good answers to this question. The main problems were: not being able to explain the differences between the four terms – often getting them confused; failing to provide examples or research as required by the question; and a limited account of how these forms of competition vary in terms of common features, such as firm size, barriers to entry, and so on.

In general, the definitions given by candidates were very weak; the worst implying that perfect competition exists, an example being stall holders in a market. Even in this competitive situation, there are differences in the product sold and producers and consumers do not have perfect information regarding price and quality. It would have helped if candidates had said that this situation is perhaps the nearest to an example of perfect competition. The weakest answers consisted of a one-line definition and an example, such as, 'Oligopoly is a market with a few large firms competing with one another, such as supermarkets'.

This question, in short, proved to be a challenging one for many candidates. Despite a large proportion of candidates selecting it, most of these did not achieve a pass grade. Very few of them could confidently explain the differences between all four market types product markets. Those who performed better were able to do this and to include supporting examples.

EXAMINER'S REPORT

January 2018

Question C5

Learning outcome: 5

This question related to LO5 and asked candidates to draft a talk to a group of final-year students at the local secondary school (or high school) on the case for and the case against globalisation and justify their response.

Answers to this question should normally start by providing a reasoned definition of globalisation. Being a controversial phenomenon, a range of definitions is possible but, basically, globalisation involves the development of an increasingly integrated global economy epitomised by free trade, free flow of finance capital, and the tapping of cheaper foreign labour markets. All this is facilitated by cheaper transportation costs and the application of advanced information and communication technologies to work and business practices.

The case for globalisation includes: globalisation is expected to promote efficiency, productivity and, higher economic growth rate; for consumers, globalisation promotes quality goods at the right price and helps bring down prices; it results in multi-national companies (MNCs) bringing up-to-date technology in less developed countries and investment funds which create income and employment in the countries trading in the global economy; and it provides opportunities to develop new markets.

Arguments against include: it does not impact on poverty reduction, employment generation, export promotion, foreign direct investment, and growth rates of national economies; it promotes fierce and unhealthy competition instead of co-operation; MNCs weaken the domestic producers of poor backward countries, causing concentration of economic and political power in the hands of the foreign business enterprises; it opens up domestic economies without reaching out to foreign markets or helping industries meet the global challenges facing them; the benefits of globalisation are limited and do not reduce costs; modern technologies used by the MNCs make unemployment worse; and foreign capital is not interested in producing the goods required by underdeveloped countries.

The main differentiators in this question were the breadth and depth of explanations and the extent to which some reference was made to research findings. The ability of candidates to produce cogent and convincing presentations that would have sustained the interest of the audience was also looked for by the examiners.

Typically, though, most answers were not composed as talks – with the same applying in Question D8. The most common advantages discussed were benefits to consumers in terms of range and price of goods, transfer of skills and ease of transportation of people and goods. The common disadvantages referred to the exploitation of the labour force and low wages, exploitation of material resources, and small businesses unable to compete with MNCs.

EXAMINER'S REPORT

January 2018

Several answers began with a brief definition of globalisation, and some of these noted this might be important given the audience for the talk. Again, most of these answers cited relevant third-parties to support their points. They also explained the claimed benefits and criticisms of globalisation. But a few candidates failed to include some obvious issues, for example, maintaining low prices for consumers. Interestingly, and in general, the case against globalisation was more extensively covered than its benefits.

Question C6

Learning outcome: 5

This question related to LO5 and asked candidates to critically analyse up to three advantages and up to three disadvantages of MNCs.

MNCs operate in several countries and are mainly managed from its headquarters based in the parent country. But there are cases where strategy decisions are delegated to head offices in other countries. The claimed advantages of MNCs include: their size benefits consumers; they bring advanced technology into poorer countries, whilst bringing low-cost products to the wealthier ones; they are cost-effective; they help create jobs and wealth; mergers with them help other companies achieve economies of scale; they adhere to best brand standards; they help improve living standards; they invest their profits into research and development; they allow for wider markets.

The claimed disadvantages include: they can dominate markets, thus threatening small businesses; they might exploit their workforces; they can take advantage of consumer goodwill; they can push local firms out of business; these companies are able to realise high profits and not share their wealth with their workforces or pay their fair share of taxation; they can seek monopolistic control of markets; and they threaten the environment, not use renewable sources, and contribute to pollution. Weaker answers included a series of valid but undeveloped points, whilst very few of these were able to draw on relevant research. Some of these answers were largely descriptive and sometimes ended up being simply a list of bullet points, which does not normally enhance an M-level standard of performance.

Question D7

Learning outcome: 6

This question related to LO6 and asked candidates to identify and critically review up to three demographic trends in a named country of their choice, which are impacting on the size and structure of this country's working population. They also had to explain how their organisation is dealing with these trends (or not dealing with them) in the short-term.

EXAMINER'S REPORT

January 2018

In this two-part question, the first part enables candidates to identify and review the main population trends affecting the size and structure of the named country's workforce; the second question focuses on the implications of these changes on their own organisation. The sort of issues likely to be identified by candidates includes: whether the population is ageing or a young one; the gender distribution of the population and the balance between the genders in the population; birth rates and mortality rates; the geographic distribution of the population; and migration trends.

All these factors affect the labour market in terms of the supply and demand for workers, product markets, income distribution, and the provision of goods and services. Employers need to understand and respond to these demographic pressures, which are constantly changing, and involve continuous change and adaptation to what's happening.

Most candidates were able to identify three demographic trends and provide a review of how these were having an impact on the size and structure of the working population. The most common features identified were the ageing population, gender balance, and migration. The application to the candidate's own organisation was generally done well, pointing to specific policies and practices that addressed topics such as an older workforce, increased female participation rates, and so on.

As indicated above, the common trends discussed were an ageing population, more females in the market and net migration. Answers that earned a bare pass tended to pay little attention to the impact these trends have on the size, more particularly the structure of the labour market. No answers specified the country of choice, although in each case it was obvious it was the UK. Stronger candidates provided more detailed answers to the second part to the question. These included policy reviews to cater for an ageing workforce; flexible working; and problems arising with foreign workers. A few candidates discussed issues such as maternity arrangements, which were less persuasive because the arguments implied that the organisation was providing these beneficially, not as a legal obligation.

Other answers looked more at social trends and where these were linked to demographic trends then the answers scored well, but where social trends were given at the expense of demographic trends then marks were lower.

Question D8

Learning outcome: 6

This question related to LO6 and asked candidates to critically examine how technology is being used in their organisation and its implications for managing people, drawing on current practice.

Technology has various definitions but in the business sense it is the collection of techniques, skills, methods and processes used in the production of goods or

EXAMINER'S REPORT

January 2018

services to enhance business performance. There are many examples of what is done in practice and what is listed here is neither exclusive nor exhaustive. Some examples of the application of technology in organisations include: improving communications, improving the efficiency of screening, recruiting and hiring potential candidates and investing in human capital, increasing organisational efficiency, and technology in the workplace eliminates space and time within the organisation. Other applications include: marketing, raising productivity, bringing businesses closer to their customers, teleconferencing, managing finance, collaboration and learning, and going paperless. All these innovations have implications for how people are employed, the managing of workloads, and the managing of performance.

This question gave candidates the opportunity to really explore their own organisations and how technology impacts them generally and how it impacts the management of people specifically. This was generally well answered, particularly where candidates had structured their answer effectively, looking at various aspects and exploring the impact on the organisation and on managing people in detail. Weaker answers gave points that were not fully explored or developed.

Unsurprisingly a range of uses for technology was covered by the answers to this question. Many focused on the use of technology in HR but ICT and technology's wider use in production processes were also addressed by other candidates. Most candidates achieved a pass grade or better with some very thoughtful answers. The main weakness was that the implications for managing people were not always assessed effectively or were addressed only very briefly.

Most chose to discuss ICT technologies which included mobiles, iPads, video-conferencing, employee attendance and performance monitoring systems, and so on. A few answers referred to apps that provided on-line contact with consumers, which was not what the question required. The main differentiator between high and low marks was the extent to which candidates considered the implications for managing people. In better answers there was some consideration of the negative implications for staff as well the positives for the organisation. Weaker scripts did not consider the impact on managing people, which lost marks for these candidates.

Question E9

Learning outcome: 7

This question which related to LO7 asked candidates analyse the methods business pressure groups typically use to influence the public policies and legislation affecting their members. They also had to explain either why their organisation is a member of a business pressure group and what it seeks to achieve by this membership or why it does not belong to such an organisation and what role, if any, their organisation has in trying to influence government policy.

7HRC – Human Resource Management in Context

EXAMINER'S REPORT

January 2018

Business pressure groups may try to influence decision makers directly, for example, ministers and civil servants; they may try to influence opinion formers, for example, members of legislatures and the media; or they may try to influence public opinion. What they do depends on factors such as the resources available to them and whether they are insider or outsider groups or not.

The methods they use include: lobbying ministers and civil servants; influencing politicians through paid consultancy posts to represent a particular commercial interest, appointments to boards of companies, detailed briefings on issues relevant to the group, provision of expense account perks, provision of research assistants for politicians, promotion of Private Bills in law-making bodies, sitting on select committees where pressure groups can give evidence to these committees, and influencing the final report which is delivered to legislatures and other parliamentary bodies. In the UK, for example, the House of Lords provides an opportunity for pressure groups to secure detailed amendments to legislation.

The methods used to influence public opinion include letters to the press, press releases, public meetings, petitions, and (rarely in the UK) marches and demonstrations. Other methods include use of the courts or direct action. Responses to the second part of the question were expected to be organisationally specific.

This was not a popular question, although it's hard to say why. For those who performed well, most of these candidates addressed all parts of the question, with better answers going above and beyond explaining the methods used by business pressure groups to influence public policy. Helpfully, these included some good examples to support these responses. Responses to the second part of the question were generally all of a similar standard, with some providing slightly more justification than did others.

Among weaker candidates, perhaps some of them felt they were unable to effectively explain why their organisation was or was not a member of a business group. A common weakness in these responses was lack of discussion of the methods pressure groups typically use. Answers to the first part of the question were generally focused on the nature and objectives of groups through lobbying government and related linked activities. Candidates who failed did not address either parts of the question adequately. There was some evidence this was the last question candidates attempted and that they were running out of steam.

Weaker answers tended to describe basically what pressure groups are, but with very little consideration given to the methods they use to achieve their objectives. The second part of the Question was generally answered competently.

EXAMINER'S REPORT

January 2018

Question E10

Learning outcome: 7

This question related to LO7 and asked candidates, drawing on research and practical examples, to explain the reasons for the growth of employment law in the last 40 years in a named country of the candidate's choice.

One reason for increased employment regulation in the recent past has been governments wanting to boost productivity in the private sector, where historically unions were seen to be barriers to national economic performance. An example is the floor of minimum employment standards for workers not covered by collective bargaining. In the early 2000s, governments wanted to make working more attractive than being unemployed, as well as making concessions to part-time working and family-friendly policies. Second, there was the impact of the EU on employment legislation following the signing of the Social Chapter in 1997. Third, there was the decline of trade unionism and collective bargaining, which without employment legislation would mean employers would be free to act unfairly at will. Fourth, there was political expediency, meaning that governments took measures to legislate on employment issues likely to achieve re-election at general elections, as well as acting on the lobbying pressures from powerful interest groups.

This proved to be a very popular question, compared with the alternative, but overall it generated some disappointing responses, with many candidates not achieving a pass standard. It is possible that many saw the opportunity to explain the reasons behind the introduction of different pieces of legislation, when in fact the question was quite different. However, it was clear that those that interpreted the question correctly had clearly learned and understood the reasons for the increase in employment legislation over the last 40 years.

Although most candidates achieved a pass grade, there were very few good answers. This may be because, for many, it was the last question attempted on the examination paper and time pressures meant that weak answers were comparatively short. Social change, the decline of trade union influence and legislation emanating from the UK's membership of the EU were typically cited as the reasons for the growth. However, the EU's role was often omitted from some answers. A few typically better answers noted political expediency as a further reason. These answers tended to cite relevant examples to justify their explanation.

Credit could not be given where legislation was simply listed. But better answers looked at the reasons behind the increase in employment legislation and these were able to identify a range of factors and influences.

EXAMINER'S REPORT

January 2018

Conclusion

The pass rate in this examination diet was 72.6%, which reflects a generally good set of results. 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. These are meant to provide helpful comments and provide the opportunity for future candidates to avoid some of the errors demonstrated by those submitting weaker scripts in this national examination on this occasion. Most of these points have been reported in earlier examination diets.

1. To repeat a point made in every other Chief examiner reports, 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. All candidates need to supplement their studies through wider reading including academic journals, professional periodicals, and the quality press, as indicated on many occasions by the Chief examiner.
2. In the seen case study, Tasks 1 and 4 provided the best responses overall, with Tasks 2 and 3 causing more difficulty. There was evidence of some pre-planning by the better candidates, although application capability is a predominant weakness, as is the limited ability to provide well justified and persuasive arguments to the examining team. Weaker answers sometimes contained arguments that were too brief and lacking analysis. There were a few candidates who repeated the arguments made in Tasks 2 and 4 but worded these slightly differently. This is not a persuasive practice and it reflects the need for competent planning of answers at the outset. Another practice, despite the advice on the paper, is that equal time is not given to each of the tasks by some candidates. In this instance, the responses to Task 1 were commonly much longer than the other three. The cause was the presentation of SWOT and STEEPLE analyses.
3. It was very disappointing once again to observe the number of candidates who had apparently failed to research the case study and context prior to the examination. Those who had done this were much more able to reference similar organisations and discuss the finer detail of their operating contexts. The performance of those candidate *not* preparing for the case study questions was normally very disappointing, given it was a pre-distributed *seen* case-study. There are still too many candidates sitting the examination, who have not fully prepared for the case study. Consequently, they struggle to draw on any research evidence or show much appreciation of the overall context of the case organisation.

EXAMINER'S REPORT

January 2018

4. Evidence of candidate preparation prior to the examination resulting from the issuing of the case study in advance of the examination appears to vary across centres. Better performing centres appear to encourage discussion and information-sharing between candidates, which clearly results in better answers to the questions posed in the examination.
5. In Section B, it was noticeable that the performance of the failed candidates was extremely weak. Their capabilities were deficient in all areas. In the view of the examination team, this was an interesting and generally engaging examination paper, which tested the assessment criteria of this module in a broad and engaging manner. However, it did expose those who fail to address Learning Outcome 4 adequately and who fail to research the seen case study.
6. In general, questions on the economic context – which in this examination were competition and market economies – were again less well answered than other parts of the indicative content. Section B assessed candidates on a broad range of subjects from this content and included a selection of question formats. As with previous examination diets, the questions covered the key subject areas included within the learning outcomes. But candidates were most challenged by Questions B3 and B4, which dealt with market economies, a theme that is consistent in most examination diets.
7. It is a common observation that some candidates migrate to what appears to be an easier question in the paired questions in Section B, for example, one that relates to an HR model, but then they do not produce an M-level response. Questions that appear to be more straightforward, which ask about more familiar subjects such as demographic trends, tend to generate quite descriptive answers. And in many cases, candidates do not address all parts of the question. It is vitally important that when a question asks for a critical evaluation, this is attempted. Either candidates are not acknowledging the need to do this, or they are not comfortable with what is required. It is pleasing, however, to note more candidates this time responding appropriately to the format requested in the question, such as an e-mail response.
8. There was a wide range of quality of answers in Section B. Many candidates chose to do the case study first but they did not always manage their time sufficiently to allow for well-constructed answers to Section B questions.
9. It appears Section B was largely straight-forward for candidates and they coped reasonably well with it. Section A provided more of a challenge, since green issues didn't seem to be an area with which all the candidates felt comfortable. Yet, as many wrote in their answers, most candidates reflected a generation more conscious about green issues than other generations. And they also had a month to do their research.

7HRC – Human Resource Management in Context

EXAMINER'S REPORT

January 2018

10. An overall observation of this examination is almost equal proportions of candidates passed Section A as Section B. However, it is noticeable that many seemed to perform better in Section B than in the case study. This is interesting, as with answering questions against a seen case study for which there is a month to prepare, one would expect candidates to perform better in Section A than in Section B. What happened in this diet suggests some candidates/centres are not preparing sufficiently to demonstrate the level of appreciation of the context of the case organisation that is expected. There is a marked distinction between those candidates who have prepared well and have researched the sector and similar organisations, as they are then able to justify their responses with evidence-based answers. Unfortunately, within some papers, any pre-research was very limited. Overall some candidates continue to appear to be sitting the examination without fully appreciating what is required within an M level paper. Some candidates need a greater awareness of the requirements of what a business case is, plus what is meant by a critical review/evaluation, rather than merely offering descriptive answers. These are skills that can be developed, if more emphasis is placed in centres on practising past questions and referring to past Chief Examiner reports for guidance.

To conclude, this is a pleasing set of results. I'd like to acknowledge and thank my team of examiners for once again contributing to the speed and quality of the assessment process on this occasion. The examiners were: Alan Peacock, Chris Evans, Dee McGhee, Derek Adam-Smith, Helen Bessant, Rachel Cooper, and John Ashcroft.

Professor David Farnham

Chief examiner