7HRC – Human Resource Management in Context

EXAMINER'S REPORT

September 2016

CIPD
Championing better work and working lives

Chartered Institute of Personnel and Development

Advanced Level Qualification

Human Resource Management in Context

September 2016

Date: Tuesday 27 September 2016 **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.

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<u>You will fail the examination if:</u>

- 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.

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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.

Multi-Store PLC is a high street and online retailer based in the UK, which is very profit-driven. It aims to provide high satisfaction and high added value to its customers and consistently high returns to its shareholders. It is primarily engaged in selling clothes, footwear, accessories and home products in the UK. But it also has some limited retail outlets in mainland Europe, the Middle East and Asia.

The company operates in six business segments: retail, international retail, online, the design, buying and merchandising of branded products (sourcing), property, and distribution activities. Its key products are: clothing for men, women and children, footwear, accessories, beauty products, home-ware products, electrical products, flowers, gifts and brands. Despite the ethical concerns of some members of the Executive Board, a large proportion of its suppliers is located in the Far East, where labour costs are lower and product quality is higher than those of competing European suppliers.

In its last financial year, Multi-Store's revenues consisted of 60% retail business, 2% international retail business, 35% online activities, 0.8% sourcing, 0.6% property management, and 1.6% other activities. Significantly, Multi-Store's revenues increased by some 4% last year, and its UK market revenues were its largest source of income, accounting for about 90% of total revenues.

The company has a number of features that help promote its competitive advantage. These include: a multi-channel retail-enhancing customer base; a record of economic sustainability within the company; consistently solid revenue streams and good profit levels; the possibility of creating new stores to drive growth; an interest in emerging markets; and building on its UK online channel of distribution. These features include:

- Multi-Store conducts its distribution activities through three sales channels: retail, international and online. It has 300 retail stores in the UK, 100 stores in 30 countries internationally. It also serves some five million internet customers in around 40 countries through its successful international website.

- It uses multiple retail channels to reach its end markets. Besides stores, the company offers its merchandise through its online and catalogue business, with free deliveries to its UK customers.
- People who buy Multi-Store's range of products want shopping methods which best suit their varied lifestyles. The different channels offered by Multi-

Store make it one of the strongest multi-channel retailers in the UK. This allows the company to tap into a growing number of customers using non-traditional routes to suit their consumption needs.

- Multi-Store has been trying to reduce the impact of its operations on the eco-environment for a number of years. Its direct global carbon footprint decreased by about 6% last year and it achieved a 15% reduction in carbon emissions.

- The company also uses low energy light emitting diode (LED) bulbs in its stores. This has been extended to other parts of the business, resulting in a fall in electricity consumption and less heat being used within its stores than previously.

- Its consistent growth in revenues and operating profit has driven the company's net profit margins and growth to very high levels. This consistent growth in revenues and profit has enabled Multi-Store to increase its ordinary dividend to shareholders by over 15% in recent years.

- However, the company also has some competitive weaknesses. These include: intense competition from global retail giants; rising labour costs in the UK; and a surge in shoplifting in the UK which affects its cost structure.

- Its geographic concentration in the UK means Multi-Store increases the risk that any adverse national and international contextual trends could adversely affect its performance and profitability at any time.

- In the UK, the national minimum wage has been increasing every year since its introduction in 1999 when the minimum wage was first enacted. Indeed, it has increased by over 70% during this period, directly affecting the company's operating costs and profit margins.

- Shoplifting has assumed massive proportions recently. According to industry estimates, retail crime costs retail stores in the UK about £2.9 billion per year.

The company's Executive Board is very concerned to maintain Multi-Store's competitive advantage, its strong market presence, and its high value to shareholders. But the Board realises it needs to respond to the challenging external contexts and environmental factors currently facing the company in conditions of constant change. It is asking a senior business consultant to find ways of responding to the issues outlined above.

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As a senior business consultant, you have been asked to write a report for the Chief Executive Officer (CEO). You are expected to draw upon recent research and examples of current practice in presenting your findings. Your report should cover the following:

1. **Provide a robust STEEPLE (socio-cultural, technological, economic, environmental, political, legal and ethical) analysis of the current external environments and contexts of Multi-Store.**

2. **Given the company's financial objectives and the market challenges facing it, argue the cases FOR and AGAINST Multi-Store expanding its business into emerging markets in the middle-east and south-east Asia. These are viewed as geographic areas where the firm might usefully expand its product market opportunities.**

3. **Critically evaluate any alternative geographic areas where new retail outlets for the company might be explored other than those in the middle-east and south-east Asia. Justify your answer.**

4. **Given Multi-Store's customer service and financial objectives, critically examine the main ethical dilemmas involved in (a) Multi-Store's dependence on its supply chains from developing countries to provide consumer products for its customers and (b) its ability to continue achieving its sustainability objectives.**

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

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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. You have been asked to give a talk to some students in the local sixth-form college on the following topic: 'Explain what management does and why it is so important in contemporary organisations.'

Drawing on research and current practice, outline what you will say and why.

OR

2. Human resource (HR) departments draw upon a wide range of activities and practices in organisations, but there is no universal model of the HR function or any consensus about its wider features. Many models co-exist and HR practices commonly differ amongst organisations, dependent on their size, ownership and type of business.

Drawing on research and current practice:

i. Critically evaluate any **ONE** model of the HR function such as Legge (1978), Tyson and Fell (1986) and others.

AND

ii. Explain how this model relates or does not relate to your organisation.

B

3. Precise definitions of strategy vary and there is disagreement among practitioners, academics and researchers about the boundaries, methods and underpinnings of the strategy process. As a result, there are a number of ways of exploring strategy.

i. Drawing on research, compare and contrast the rational approach to strategy formulation with the emergent approach.

AND

ii. To what extent does your organisation adopt a rational or an emergent approach to strategy formulation (or not) and why?

OR

4. The evolution of HR strategy has developed in stages. In the 'systemic fit' stage, for example, HR strategy emerged in response to increased global trade and increased competition in the last years of the 20^{th} century. This was largely concentrated on the internal fit or external fit of HR strategies in organisations, where best-fit models of HR strategy are sometimes described as 'outside-in' theories.

i. Select any **ONE** best-fit model of HR strategy and critically evaluate it.

AND

ii. Would you recommend your organisation adopt this best-fit strategy or not? Justify your answer.

C

5. National economies have become increasingly de-regulated and opened up to international competition from businesses in other countries for some three decades. Global markets also now play an increasing role in today's business relationships, capital movements and labour mobility.

i. Drawing upon research, provide a reasoned definition of 'globalisation'.

AND

ii. Explain why globalisation is such a controversial phenomenon.

OR

6. You have received the following email from a colleague doing a Master's in Business Administration (MBA) course:

> *'We are studying Multi-National Corporations (MNCs) in my MBA course but no one has explained the advantages and disadvantages of MNCs to their host countries. Drawing on current practice, please provide me with **UP TO THREE** advantages and up to **UP TO THREE** disadvantages of MNCs to their host countries.'*

Draft a helpful reply to this email.

D

7. It has been reported by Migration Watch in the UK that about 85% of population growth since 2000 has been a result of immigration. Other countries face a similar trend.

i. Drawing upon research, explain why large-scale migrations are taking place into **EITHER** the United Kingdom **OR** any other named country of your choice.

AND

ii. Provide **UP TO THREE** arguments supporting cross-national immigration into countries and **UP TO THREE** arguments against it.

OR

8. Broadly defined, technology is the application of scientific knowledge to solve practical problems in industry, commerce, business services, public services, and the world of work.

i. Using **UP TO THREE** specific examples, critically evaluate how technology is being used in your organisation to promote improved efficiency and effectiveness.

AND

ii. Examine the impact of these technologies on how work is organised and managed in your organisation.

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E

9. In the UK, a new national political administration was elected to office in May 2015 for a five-year term of office. The political party in power has a majority in the House of Commons and a manifesto to implement.

i. Drawing upon research and/or current practice, select any **ONE** area of public policy where your organisation is likely to be affected by the outcome of this general election. Explain how management is dealing with it or is likely to deal with it.

OR

ii. You have received the following email from a junior colleague:

'I was talking with one of my team today and she asked me: (a) what are the purposes of business pressure groups and (b) how in practice do they operate?'

Drawing upon research and current practice, provide a helpful response to these questions using appropriate examples.

END OF EXAMINATION

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Introduction

This report reviews the September sitting of the Human Resource Management in Context advanced level qualification 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.

In this examination, 222 candidates took the unit. Of these, 155 achieved a pass standard of performance or more, giving a pass rate of 69.8%. The breakdown of grades is shown below. The overall pass rate was a reasonable one but the general level of performance across the written examination on this occasion was weaker than in recent diets. This is evidenced by the lower proportions of 'good scripts' at merit and distinction levels compared with recent examination cohorts. The 'long tail' of fail scripts remains at around 25% of all candidates.

Examination results of unit 7HRC, September 2016

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Grade	**Number**	**Percentage of total** (to 1 decimal point)
Distinction	1	0.5
Merit	27	12.2
Pass	127	57.2
Marginal Fail	12	5.4
Fail	55	24.7
Total	**222**	**100.0**

The examination consists of two sections, a seen case study in Section A and short answer questions in Section B, where candidates have to attempt five (out of 10) questions, which are divided into five sub-sections. All the learning outcomes of the unit are assessed on the examination paper.

In addition to demonstrating knowledge and understanding, 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.

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As has been continually emphasised in past reports, candidates are expected to achieve M-level performance in the examination. This requires them to demonstrate evidence-based argument, critical thinking and 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.

Section A

Learning outcomes: 1 and 4

This section consisted of a seen case study with four questions, where candidates were expected to answer all questions. The case study focused on the external contexts of an international retail organisation and on some of the management and marketing problems facing the organisation in conditions of market uncertainty.

The case study touched on a number of issues covered in the module's learning outcomes. However, it was particularly intended to test in-depth knowledge and understanding of Learning Outcomes (LOs) 4 and 7. There are a number of ways in which this case could be approached but the following summary points could be discussed and developed in answers.

Task 1

This asked candidates to provide a robust STEEPLE analysis of the current external environments and contexts facing Multi-Store.

There are a number of ways of addressing this question in the context of the case study but there were no prescribed answers to the question set. The answers presented depended on the contexts identified and the arguments made by the candidates. But basically, candidates needed to draw on the STEEPLE framework to analyse and review the complex range of factors in Multi-Store's external environment, show how they impact on the firm's markets, business objectives, customer base, and whether there are any conflicts or dissonance in the firm's business objectives. Demographic, geographical, technological, economic, environmental, political, legal and ethical factors could be taken into account here. But the basic point is Multi-Store is operating in a relatively unstable, challenging and changing set of external contexts which may preclude or divert it from following its existing market, financial and business trajectories.

This was generally answered well, with most candidates using the STEEPLE framework effectively. There was some evidence of preparation prior to the examination ensuring that better candidates applied the framework well and provided a sound analysis and review of it. Those candidates producing good answers to this question provided some advice on the implications of the STEEPLE elements for Multi-Store. The factors outlined were generally plausible and relevant to the industry. And most candidates took the approach of itemising under each heading the impact they may have on the company. Some candidates decided to conclude this section with a synthesis of their analysis including active advice to the company.

Weaker answers to this question merely listed the STEEPLE headings and contained little commentary on trends or current events, with few links to the case-study organisation. Weaker answers simply suggested that Multi-Store should be cautious or watchful of particular trends. Some weaker answers tended to note briefly some trends but failed to show how these might affect Multi-Store. It was noticeable some answers, under the 'Economic' heading, considered the company's internal financial position rather than how the wider economic context might impact on the business. Very weak answers tended to be brief in their detail, without applying the framework in a critical manner.

Task 2

This required candidates to argue the cases for and against Multi-Store expanding its business into emerging markets in the middle-east and south-east Asia.

The case for Multi-Store expanding into emerging product markets in the middle-east and south-east Asia include: to offset market contraction and competition in existing markets in a period of economic austerity; to diversify into overseas markets to offset any potential decline in current markets; to penetrate international markets where there is high demand for its range of products where there are pockets of high income per head, such as in parts of the middle-east, China and possibly India; to widen its customer and geographic basis; to invest its resources in these market opportunities to maintain shareholder returns; to take advantage of local labour market supply where wages are lower and productivity higher than in the UK.

The case against includes: some parts of these regions are unstable politically, with civil wars, internal conflicts and illegitimate governments; the human and market risks involved of locating in these areas; the costs of investing in these geographic areas; conservative socio-cultural issues in relation to the contested forces of modernity and tradition in these states; recruiting workforces who can deliver results; and problems of co-ordination and management across regions and political frontiers.

Responses to this question provided mixed quality answers, with good candidates relating well to the case for business expansion, but weaker answers tending to take a very superficial view of business opportunities. These neglected labour market issues and the instability caused by conflict in some geographic regions.

Many answers were disappointing and limited. The arguments for expansion were often more plausible and convincing than the arguments against. These points needed supporting evidence. They included large middle- class populations, high levels of disposable income, and available skill sets. There was also the inclusion of examples such as Tesco and M&S having invested overseas successfully, implying that Multi-Store should too. These points needed justifying by saying how and why this should happen.

Some answers referred to language barriers, the need to adjust product lines to appeal to local cultures, and the possibility of civil unrest, which were acceptable. Others however, discussed the probability that by further investment abroad, Multi-Store would lose sight of the home market. A major weakness to answers was listing various factors under the two headings without any reasoning why they would be arguments for and against expansion in these areas. Such answers were unconvincing to the examiner.

Task 3

This asked candidates to critically evaluate any alternative geographic areas where new retail outlets for the company might be explored other than those in the middle-east and south-east Asia and to justify their answer.

Alternative product markets which could be developed by Multi-Store are those of the EU, North America and Asia-Pacific. Given the range of the products available and its existing links in these parts of the world, Multi-Store could seriously consider expanding into countries in these regions. This is justified by: the existing links with these areas; good understanding of the contexts within which businesses operate in these regions; the very large market potential of Europe, North America and Asia-Pacific; compatibility of business systems; the business-friendly nature and business support systems of these areas; the presence of well-educated and trained workforces; their common or complementary business roots; the extensive use of the English language in these areas; and proximity to well-developed transportation and logistical systems. The case against includes: the competitive nature of these economies; the transactions costs; and high levels of regulation within them.

Overall, answers to this question were mixed. Most were able to suggest an alternative geographical area. However, some provided more convincing justifications than others by citing specific examples based on previous retailer experience. Many of these answers were brief, with some of them providing responses to this question using similar arguments to those presented in Task 2.

Better answers justified serious consideration for investing in North America in particular, and these made a sound case for expansion citing similarities in language, business, and culture. Many answers appeared to 'catch-out' candidates, who appeared either not prepared for this issue or were unable to respond effectively under examination conditions.

Task 4

This asked candidates to critically examine the main ethical dilemmas involved in (a) the company's dependence on its supply chains from developing countries to provide consumer products for its customers and (b) its ability to continue achieving its sustainability objectives.

Issues that could have been explored here include: Multi-Store needs to maintain an ethical approach to its supply chain providers. It doesn't want to alienate its customers and investors with bad publicity in how workers in its supply chain are treated. On the other hand, if the company is to maintain its record of delivering high returns to its shareholders, dividend distributions are affected by labour and employment costs. Similarly, the firm's sustainability record is a major plank in its corporate CSR agenda but this too comes at a cost. Conflicts can arise between the cost of maintaining a sustainability agenda and profits and shareholder returns in when markets contract.

The answers to part (a) of this question were generally satisfactory, whilst answers to part (b) were generally limited. The main arguments offered in (a) related to ethical behaviour toward suppliers and the avoidance of damage to the employer brand suffered by others such as Primark. The main issues covered including ensuring decent rates of pay and healthy and safe working practices and conditions. The presentation of some answers seemed to imply that Multi-Store had direct responsibility for these, particularly that the company should pay at least the UK's National Living Wage. The argument could have been for a rate at or above that of the local market rate. Besides this, it should have been realised that if some suppliers run 'sweat shops'. The best Multi-Store may be able to do is to pressure them by refusing to deal with them. A few candidates recommended a code of ethics to indicate CSR.

Many of the answers to (b) focused on reducing the firm's carbon-footprint, investing in local infrastructure, and sponsoring community projects. Only a few candidates realised that sustainability also relates to profitability. They noted that ethical and CSR initiatives would impact on the bottom line. So Multi-Store would need to strike a balance between the two objectives.

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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, sometimes linked to candidates' own organisation, and candidates were expected to attempt all parts in each question.

Question A1

Learning outcome: 2

This question asked candidates to explain what management does and why it is so important in contemporary organisations, drawing on research and current practice.

Management has a variety of meanings and definitions in the literature. This question could therefore be approached in a number of ways. Early studies of management by Harbison and Myers, for example, recognised that different people in different cultures view management differently. Some believe that management is merely a series of managerial functions; some regard it as an art; while others view it as a social class or elite representing the intelligentsia. For workers, management is identified with their 'boss' who has the authority to hire, deploy and fire them. Critical theories of management or critical management studies provide informed critiques of the management function in the contemporary world. Whatever model or definition was used by candidates was expected to be justified. The importance of management or managers in modern organisations is they provide systems of authority within them, accountability for the achieving the goals of the organisations in which they are employed, and organisational systems of control and feedback.

This question was a popular one and most candidates were able to provide a reasonable response to it. Many answers focused on the word 'contemporary' in the question. Thus issues such a gaining employee commitment and management style typically formed the basis of these answers; often with a focus on middle management. Generally, weaker answers provided limited consideration of 'why' management is important and offered largely descriptive accounts of the function. There was often absence of research/current practice cited to support answers and few candidates considered the 'agency' issue of managers in relation to organisational goals. Candidates should take more time to read the questions set, so that they can make sure all parts of question are answered, as well as responding in the required format.

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Question A2

Learning outcome: 2

This asked candidates to draw on research and current practice and critically evaluate any one *model* of the HR function. Examples include Legge (1978), Tyson and Fell (1986) and others. Candidates also had to explain how this model relates or does not relate to their own organisation.

A variety of models of the HR function in organisations has been proposed by writers in the field and any one of these. They include Monks (1992), Storey (1992), Wilkinson and Marchington (1994), Ulrich (1997), and Ulrich and Brockbank (2005). Other models were not precluded from this debate.

Answers were generally good and showed a reasonable knowledge of their chosen functional model. There were a few distinctive answers that contained sound comments on each of the parts to the question. The most common model was the three-legged stool, followed by Ulrich and Brockbank's updated model. Descriptions of the model were accurate and there was some evaluation of its effectiveness. These answers also contained a reasonably balanced assessment of its application in the candidate's own organisations. A few candidates described how the Ulrich model had been modified to suit their own organisational needs.

Weaker answers, particularly those not awarded a pass, were descriptive, with little evaluation of the chosen model's strengths and limitations. Usually it was the extent to which the model was reviewed that made the difference between a pass and fail standard of performance. Similarly, answers to the second part of the question were commonly descriptive, merely claiming that each element of Ulrich's model had been adopted and were operational. Weak answers could have been strengthened had there been some analysis of the model's effectiveness.

Question B3

Learning outcome: 3

This asked candidates to draw on research and compare and contrast the rational approach to strategy formulation with the emergent approach. They also had to explain whether their own organisation adopts a rational or an emergent approach to strategy (or not) and why.

The rational or planning approach to strategy provides textbook models of the strategy process. It emphasises the rational, scientific nature of strategy. The underlying principle is that strategies are the outcome of objective analyses and planning. It is rooted in the assumption that analytical, objective methods can be prescribed and individuals trained to use them. Objectives are defined in advance, the external contexts analysed, strategic options developed, and choices are made among these options, which are then implemented and later evaluated.

Emergent strategy is where the final objectives of strategy are unclear and the elements are developed as strategy proceeds. Strategic management is not viewed as a formal planning process but as a series of sub-processes where strategy is developed from the experiences of managers and their sensitivity to changes in the external contexts. Emergent strategy is the process of developing strategy by small incremental, reasonable steps rather than by macroscopic grand plans. Strategy, in short, develops over time.

The second part of the question gave candidates the opportunity to analyse how and why their own organisational strategy options are developed and implemented, or not, and to justify their answers.

This proved to be a popular question in this section and generally the majority of candidates passed with a significant number of them achieving a merit or a distinction grade. Most candidates were able to adequately compare the two strategic forms. However, strong answers demonstrated a wider appreciation of the business context and why one is more appropriate than the other. It was these candidates who performed better in part (ii) of the question as they were able to offer a clear and well considered justification.

Question B4

Learning outcome: 3

This asked candidates to select any one best-fit model of HR strategy and critically evaluate it. They also had to recommend whether or not their own organisation adopts this best-fit strategy or not and to justify their answer.

Best-fit models are based on the proposition that different types of HR strategy are suitable for different types of organisation, taking account of their business goals and organisational contexts. The best-fit approach claims there is a link between HR strategy and competitive advantage but HR strategy is contingent upon the particular circumstances of each enterprise. This means that organisations have to identify those HR strategies which best 'fit' their enterprises in terms of product markets, size, structures, corporate strategies, and other factors. What is 'right' for one organisation is considered to be inappropriate for others. Best-fit strategy is thus based on the idea that HR strategies vary depending on business strategy or product market circumstances. The models that could be explored include the matching model, the structural configuration model, and the business life-cycle model. Candidates also needed to justify why their own organisation should adopt a best-fit strategy or not.

Responses to this question were generally weak. This is somewhat surprising, given the centrality of HR strategy to the HR profession. Just as worrying is relatively few candidates attempted this question. Of those that did, few achieved a pass grade and those who failed did not correctly identify a ‘best-fit’ model. Several candidates struggled with the requirement to recommend or otherwise the model to their organisation. Typically they simply described what their organisation did. Responses to this question are another example where candidates find it difficult to differentiate between *models of HR strategy* and *models of the HR function*. If an incorrect model is selected by a candidate, then any attempt to critically evaluate is impossible.

Question C5

Learning outcome: 5

This question asked candidates to draw upon research and provide a reasoned definition of globalisation. They also had to explain why globalisation is such a controversial phenomenon.

Basically, globalisation is the integration of economies, industries, markets, cultures and policy-making around the world. It describes a process by which national and regional economies, societies, and cultures have become integrated through the global network of trade, communication, immigration and transportation. In the recent past, globalisation was often primarily focused on the economics of the world economy, such as trade, foreign direct investment and international capital flows. But, more recently, the term has been expanded to include a broader range of areas and activities such as culture, media, socio-cultural, political, technological, and biological factors such as climate change.

Few recent issues have generated more debate and public protest than globalisation. One reason for these protests is what many opponents of globalisation see as unfair trade practices sanctioned by the WTO. They argue that the free trade policies supported by the WTO benefit mainly large corporations and rich nations and lead to greater poverty, inequality, loss of local culture, and environmental damage, especially in poorer, less developed nations.

This was a very popular question, where most candidates were able to achieve at least a pass standard of performance. Definitions of globalisation varied in quality, from very basic explanations of the phenomenon to a number of different research viewpoints. The overall strength of an answer, however, was in the candidate's response to part (ii) of the question. Some candidates offered only a few advantages and disadvantages of globalisation, whereas more competent candidates were able to effectively apply this knowledge to explain why globalisation is such a controversial phenomenon.

This question clearly distinguished between those candidates who learn the basics about a topic and those demonstrating a higher order of thinking consistent with M-level standards of performance.

Question C6

Learning outcome: 5

This asked candidates to draw on current practice and provide up to three advantages and up to up to three disadvantages of MNCs to their host countries.

In outline, the advantages include: access to large groups of consumers; meeting the demands arising from shortages in labour supply; tax income; investment and overall economic development; research and development; and international trade. The disadvantages include: intellectual property rights; political risks; losses to local businesses; loss of natural resources; money flows to home countries; transfers of capital resources to other countries and states; and potential conflicts over host country and home country laws.

This question proved to be a real challenge to most candidates, with many failing to obtain even a pass grade. Most candidates demonstrated an awareness of the nature of MNCs but few provided suitable discussion of the advantages and disadvantages to their host countries. Most scripts tended to focus on advantages and disadvantages to the MNCs.

A few candidates provided substantial arguments for and against such as economic growth, higher employment, more disposable incomes and inward investment levels. These were followed by disadvantages such as dilution of local cultures, closure of local businesses, and impacts on local communities. A common error was to mistakenly outline advantages or disadvantages to MNCs, not to the host country. The most puzzling answers were those that contained advantages to the host nation and then disadvantages to the MNCs or the other way round.

The parts of the answers that were correct varied in depth but were never comprehensive enough to earn a pass alone. Weak candidates were not able to cite any valid advantages and disadvantages to the host country. Unfortunately, this was yet another example whereby some students failed to read the question set and consequently offered advantages and disadvantages to the home rather than host country. In the event of this error, no marks were awarded.

Question D7

Learning outcome: 6

This question asked candidates to draw upon research and explain why large-scale migrations are taking place into either the United Kingdom or any other named country of their choice. They also had to provide up to three arguments supporting cross-national immigration into countries and up to three against it.

Migration has always been a feature of humankind. But today, there are a number of reasons why people choose to migrate to other countries. Globalisation has increased the demand for workers from other countries to sustain national economies. Such economic migrants are commonly from developing countries migrating to obtain sufficient income for survival. This income is commonly sent home to family members and has become an important source of income of people in a number of developing countries. People are also forced to move as a result of conflict, human rights violations, violence, or to escape persecution. Another reason people move is to gain access to opportunities and services not available in their own countries. A number of theories explain the international flow of capital and people from one country to another.

Arguments supporting migration include: it contributes to economic competitiveness and economic growth; it responds to ageing populations; it fulfils demand for skilled labour; it fills in gaps in labour supply; and it promotes diversity and innovation in society. Arguments against include: its impact on job competition; the environmental impact of population growth; the challenge to national identities; possible increased crime rates; and weakening defences against infectious diseases.

The UK was the most favoured choice of country. A number of candidates generated a good set of responses to the question put. It would seem that these candidates attempting this question had a thorough understanding of the causes of and arguments surrounding immigration. A number were also able to cite appropriate research evidence, which was encouraging.

But answers to part (i) were generally poor, mainly because of a misjudgement in reasoning. The arguments usually related to EU membership and the existence of regulations on the free movement of labour. Such conditions are there but they are not in themselves causes of mass immigration. There have to be more substantial forces to drive large numbers of people to move into another country. There has to be something about the UK that makes it a more attractive, economically beneficial, or a safer place to be. However, quite a number of candidates missed this point, although some were able to make up for it with a decent answer to part (ii) of the question.

Question D8

Learning outcome: 6

This asked candidates to critically evaluate how technology is being used in their organisation to promote improved efficiency and effectiveness, drawing on up to three specific examples. They also had to examine the impact of these technologies on how work is organised and managed in their organisation.

This general question sought to enable candidates identify and review with concrete examples how technology is being applied in their organisations and how work is organised and managed. No prescriptive responses were expected to these questions but it enabled candidates to provide some insights into the impacts of continuous technological change in their workplaces.

This was a popular question and generally well-answered. Relevant examples were chosen and better answers were able to go beyond basic description and provide some evaluation of the use of technology in the candidate's own organisation. Candidates, in general, struggled a little with the second part of the question. This appeared to be due to having to cover issues relating to work organisation and management in their answer to (i). Although answers were judged on their merits, this once gain illustrates a common weakness among some candidates; not being able to structure their answers in accordance with the requirements of the question set.

But there were also some very strong answers to the questions put. These comprehensively addressed each part of the question. A small number of candidates commented on the introduction of robotics into their production operations. The majority of scripts, however, discussed IT technologies such as the issue of note-pads, video-conferencing and data processing. The effects on efficiency were commonly self-evident, but critiques on their effectiveness were not so strong. Even the inclusion of a few relevant comments on this would have earned more marks for these candidates. However, most of those who earned bare passes provided acceptable answers to part (i) of the question.

Much less attention was given to part (ii) and several of these could have been a lot better with some additional analysis. More comments were needed on how work is organised and managed throughout the organisation.

Often the focus was limited to the HR function, thereby showing limited understanding of the broader contexts of the question.

Question E9

Learning outcome: 7

This question asked candidates to draw on research and/or current practice and select any one area of public policy where their organisation has been affected by the outcome of the most recent general election. They also had to explain how management is dealing with this issue in their own organisation.

A wide choice of policy areas was available to candidates. Thus any single policy area could be selected such as austerity, the economy, healthcare, education, taxation, Europe, defence, the environment, foreign affairs, transport, business issues, and so on. How management is responding or planning to respond to this policy area then needed to be analysed and discussed in the answers.

Those candidates attempting this question were generally able to demonstrate a pass level of performance. Generally, candidates were able to select an appropriate public policy and explain how this has affected their organisation. Weaker answers, however, included limited explanations how their organisation were or are likely to deal with this issue.

Weaker answers generally consisted of some limited observations, lacking sufficient underpinning knowledge and understanding and providing arguments that were not very persuasive. Most candidates chose pieces of legislation which is affecting their organisations. These were predominantly the National Living Wage and the apprenticeship levy. But commonly, there was no mention which policy area these belonged to. And sound commentaries how their organisations were (or would be) dealing with these issues were missing, generally brief, and uncertain. Other candidates mentioned withdrawal from the EU, which was not strictly a manifesto commitment in 2015 but is now a *de facto* governmental objective. The conclusions in these instances were often that the way their organisations would be affected is uncertain, because future trading arrangements with EU are uncertain. Similarly, answers that commented on new restrictions on immigration were more plausible but again candidates were unsure what future coping strategies their organisations would adopt towards this issue.

7HRC – Human Resource Management in Context

EXAMINER'S REPORT

September 2016

Question E10

Learning outcome: 7

This asked candidates to draw upon research and current practice and to examine the purposes of business pressure groups and how in practice they operate in practice.

In essence, business pressure groups use their capacity to organise, their representatives and the power of their memberships to influence government and public policy on behalf of the people or organisations they represent. Examples include peak business associations, employers' associations, industry-wide bodies, chambers of commerce, professional bodies and so on. The methods used include lobbying politicians, ministers, civil servants and public officials at local, national and international levels, publishing research, conducting public campaigns, contacting the media, and presenting petitions to the authorities. Their effectiveness derives from their size, the resources they have available, and their leadership.

Responses to this question were generally not convincing. The purposes of pressure groups were generally explained appropriately, but many answers failed to demonstrate how they operate in practice. Research evidence was rarely used to support the arguments provided. Basically, answers to this question fell into two groups: those achieving a bare pass or those failing badly.

Despite its regular presence in examinations, pressure groups, especially *business* groups, do not appear to be well-understood by candidates. Few examinees were able to go beyond stating that their purpose is to represent their members by explaining they seek favourable legislation or supportive public policy at various governmental levels. Further, part (ii) of the question was often answered quite briefly, with simply a list of varying length discussing methods of operation. Finally, of those attempting this question, few picked up on the need to provide a response to an e-mail. Again, there appears to be a wide divide between the level and depth of knowledge that candidates can demonstrate in questions like this one. Some scripts provided a fairly basic explanation of business pressure groups, whilst others were able to draw on specific examples to help support their answer. But, as mentioned above, only a few candidates were able to successfully explain how business pressure groups operate in practice.

Conclusion

The pass rate in this examination diet was 69.8%. The marking team is of the view that this examination paper provided a good test of all the learning outcomes and the indicative content of this unit, and it was a fair test of candidate knowledge, understanding and application of knowledge within the module. The marking team observed the following general points in assessing candidates.

1. This point has been made many times before and must be noted by all candidates and subject tutors. This is an M-level examination and successful candidates are expected to provide evidence-based answers to the questions set, drawing upon relevant research and good practice of HRM in its contexts, and be able to demonstrate critical thinking, professional judgement, analytical and problem-solving skills. This means they are expected to read around the subject matter and critically evaluate the literature in the field. At a minimum, core texts provide an overview of the literature and they identify and review key studies in this field of professional knowledge and understanding. But this is not sufficient and needs to be supplemented through wider reading by candidates. These sources include other texts, academic journals, professional periodicals and the quality press recommended by their subject tutors.

2. Candidates must read the questions set and respond to them convincingly and authoritatively. One small but important example of failure to read the question set is the large number of candidates who did not present their Section A case-study answers in report format, as asked for on the examination paper. This has also happened on other occasions. Because of this, candidates are missing the opportunity to gain additional marks for ‘persuasion and presentation’ in their responses.

3. In Section A, for what is a seen case study in advance of the written examination, too many weaker answers tended to demonstrate poor preparation in advance of the examination. Too many answers were disappointing in their coverage, with many candidates showing little evidence of doing any research in advance to support their answers. Generally, the candidates passing Section A were able to address the questions adequately, but demonstrated little higher order thinking or relevant research. You would expect candidates to identify with the retail sector, particularly its current trends beyond what is given in the case study. Disappointingly, a significant number of candidates are still not passing the case study, as they fail to demonstrate M-level performance and knowledge of current research and good practice.

4. On the other hand, there was also evidence to show that better-prepared candidates had looked more closely at the case-study material prior to the examination and prepared themselves for likely questions and topics. Answers provided to the STEEPLE analysis question is perhaps the most obvious evidence of this but it is disappointing to see that ethical questions still provide a challenge to some candidates. Some scripts would have been awarded higher grades, if more attention had been given to critical review and reference to appropriate academic frameworks to support the arguments provided.

5. In Section B, there were more candidates on this occasion who were better able to draw on research, but there remains a frequent use of the meaningless phrase ‘research suggests that ....’ Authoritative sources must be quoted. There were two common weaknesses in Section B responses: a general inability to provide a comprehensive critical evaluation of topics and weaknesses in relating questions to candidates’ own organisation supported by sound reasoning. There needs to be an improvement in both these areas to ensure improved results by weaker candidates.

6. Section B assessed candidates on a broad range of areas and included a mix of questions of which some were more popular than others. For example, the most challenging questions to candidates this time appeared to be Questions 1, 9 and 10. It would seem candidates are drawn to either the subject areas that appear more frequently on the examination papers (such as globalisation) or those that are more operational, such as the use of technology. They must revise for all eventualities.

7. All too often in Section B, candidates are drawn to what appears to be an easier option and then provide merely a descriptive answer - or a bullet point response - without fully addressing all parts of the question set. It is so important when a question asks for a critical evaluation that this is attempted. It appears that either students are not acknowledging the need to do this or are not comfortable doing what is required. Since candidates are also marked against their presentation and persuasion skills, too few are recognising the need to adopt the format of response requested in the examination question, such as an e-mail response, a presentation or advice to a colleague – as in their professional lives.

8. In Section B, apart from candidates who failed questions due to a lack of knowledge, the most common faults once again were either an inability to respond to the ‘command’ words of the question (for example, they described rather than evaluated) or a failure to cite research or current practice to demonstrate M-level answers. Weaker candidates again commonly failed to respond to these requests, even when this was specifically required by the question.

9. In the examination paper overall then:

- This examination diet produced a satisfactory set of results that could have resulted in higher grades if more attention had been given by candidates to critical review and reference to appropriate academic frameworks to support the arguments provided.

- Typically, weaker candidates performed less well in Section B than in Section A. These individuals need to pay more attention to the General Assessment Criteria of the scheme, particularly Application Capability and Persuasion and Presentation. They need to consider these carefully and understand the performance expectations within these criteria. They should practise meeting these expectations by attempting past examination questions/papers before the written examination and by seeking feedback from their tutors on how well they have done.

- Notably, candidates who were weak in Section A generally displayed the same characteristics in Section B, meaning that papers that failed overall were usually failed both Sections. This was due to a lack of understanding and inability to develop robust lines of argument.

- Again there are noticeable differences between those candidates who have not only prepared well for the examination but also have the ability to articulate this knowledge at a higher level and have, very likely, attempted a number of past questions prior to sitting the examinations. Other candidates either are insufficiently prepared or have a satisfactory level of knowledge but are unable to apply this at M-level.

- Also the number of candidate citing research within their answers continues to be in the minority, which is disappointing for what is an evidence-based, Masters-level qualification. This was particularly noticeable within the case-study answers. To repeat the point made many times before, to pass this written examination, candidates must conduct research in advance of the examination and know the key subject areas in more depth, whilst at the same time covering all the learning outcomes in the unit.

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

Professor David Farnham
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