7HRC – Human Resource Management in Context

EXAMINER'S REPORT

September 2017

Chartered Institute of Personnel and Development

Advanced Level Qualification
Human Resource Management in Context
September 2017
Date: Tuesday 26 September 2017 **Time: 09:50 – 13:00 hrs**

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.

INTRODUCTION

Founded 10 years ago, Gordon Bennett Ltd (GBL) is a small, thriving international recruitment agency with over 100 consultants in four offices – Oxford, Munich, Santa Cruz and Kuala Lumpar. Specialising in engineering, information technology (IT), and life-sciences recruitment, GBL provides recruitment services for its clients. It also looks to recruit new consultants for its own business, normally through the World Wide Web.

The firm aims to understand these industries inside-out, keep up with current trends and developments, and maintain high-quality networks. GBL's policy is to listen, help and advise its customers and enable organisations to perform better. It believes in being open and transparent with those it works with, and selecting the right candidates for jobs.

Each GBL consultant specialises within a specific market, skill-set and geographical area, thus opening the doors to professional networks that might not otherwise be reached. The business has grown from four people to more than 100 across four countries. The approach to internal recruitment is to bring in the best people, offer them the tools to do the job, and provide the support and training they need to become top-rate market specialists.

In its Oxford location, GBL has 70 staff, with an average age of 27, earning between £30,000 and £50,000 per year, the male-to-female ratio is 24 percent to 76 percent, but the staff-profile lacks diversity. Staff turnover in Oxford is estimated to have been 25 percent over the past 12 months. There is no specialist HR function within GBL.

MISSION/VISION

GBL's mission is to create opportunities for everyone to achieve their potential, maximise success for its clients and consultants, and eliminate costly recruitment mistakes, through understanding people's needs, close partnering, and being trusted to advise the best solutions.

GBL's '2025 Vision' has the objective of employing over 350 staff, operating in at least four continents, placing over 1,200 permanent people per annum, running over

1,000 contractors, and having a turnover in excess of £100 million. It aims to create 20 director and senior management positions, 15 operational and commercial positions, and 45 senior, principal and leader positions. It also wants to have award winning learning and development and central services divisions, with opportunities to diversify, progress, and travel.

THE BUSINESS

Each recruitment consultant has a niche market they know. They become experts in these markets, and build up strong networks of candidates and clients to ensure they provide the best advice to their customers.

- Engineering recruitment has always been at the heart of GBL’s business. The company is aware as technology changes that people requirements change on-site too. By keeping up-to-date with the latest industrial trends, GBL aims to be at the forefront of the market.

- IT recruitment is another specialism, because technology is evolving quickly and businesses need to act fast to stay competitive and have the right candidates to keep growing.

- Demand for industry and product-specific life science knowledge is higher than for any other client group. GBL aims to give these clients the advantage in the marketplace with access to its unique network of professionals. Many of these clients work exclusively with GBL.

THE MANAGEMENT TEAM

GBL has an Executive Management Team (EMT) of three, located in Oxford:

- The Chief Executive Officer (CEO) is responsible for defining the vision of GBL and leading the short, medium and long term strategy for market and financial growth.

- The Chief Development Officer (CDO) is responsible for leading business growth alongside the CEO. He provides support to the Managing Directors (MDs) in the UK, Germany, United States and Malaysia, develops future leaders, and monitors sales performance in existing and new markets to ensure the company meets the requirements of its vision and strategy.

- The MD who runs the UK business on a day-to-day basis takes responsibility for human resources.

Internal recruitment, in turn, is done in Oxford by a Talent Acquisition Manager and Talent Acquisition Consultant. Their responsibility is to ensure GBL searches, selects and secures the best talent to join the business in Oxford, Munich, Santa Cruz or Kuala Lumpar. They want people who are motivated, competitive and driven to succeed. People join GBL from a variety of backgrounds, but everyone gets structured training in a non-competitive situation. They are mentored and developed to help them succeed.

In line with GBL's 2025 Vision, the EMT realises it must continue planning for future expansion, taking account of its external contexts. At the next meeting of the EMT, some of the issues involved in this planning process will be discussed.

As the UK Managing Director, located in the Head Office in Oxford, you have been asked by the CEO to write a position paper before the next EMT meeting, drawing on research and/or current practice, covering the following issues.

1. **Undertake an appropriate socio-cultural, technological, economic, environmental, political, legal and ethical (STEEPLE) analysis of the external contexts of GBL across the whole company.**

2. **Provide a commentary and review on the possible impact of up to FIVE of these contexts on future HR strategy and/or HR practices within GBL.**

3. **Make the business case for introducing a specialist HR capacity within GBL's Oxford location.**

4. **Critically examine up to THREE technological developments likely to impact on how GBL employs people and provides services to its clients in implementing its 2025 Vision in the next few years.**

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

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. In the Encyclopedia of Human Resource Management (2016), performance management is described as 'the system of HRM activities within the workplace that is designed to motivate employees to perform in line with corporate goals. Often used interchangeably with the term "performance appraisal", performance management is a broader set of practices, of which performance appraisal is one element.'

i. Drawing on research and current practice, what 'broader set of practices' would you expect to be included within an effective performance management system?

AND

ii. To what extent is the performance management system in your organisation an effective one? Justify your answer.

OR

2. A number of researchers and observers in both the United States and the UK over the past 40 years have provided models of how the HRM function can be organised (e.g Legge, Ulrich and others) and how relationships with employees might be managed.

Select any **ONE** such model of the HRM function and critically review it.

B

3. Strategy in relation to business performance relates to the long-term direction and scope of an organisation. The ultimate purpose of strategy is to secure and sustain the competitive advantage of an organisation, where the ‘rational’ and ‘emergent’ models of strategy are the two dominant approaches to the process.

i. Drawing upon research, describe and analyse what is meant by the ‘emergent’ approach to strategy and critically review it.

AND

ii. Describe and review the strategic approach your organisation adopts (or does not adopt) in determining its strategic direction. Justify your answer.

OR

4. Human resource strategy in an organisation incorporates the critical goals aimed at managing people and the means used in achieving them. An important issue in the strategic HR literature is the debate between the ‘best-fit’ and ‘best-practice’ schools, both of which are concerned with the relevance of ‘fit’ or not between HRM and other aspects of the organisation.

i. Drawing on research, select any **ONE** model of **BEST-FIT HR** strategy and critically review it.

AND

ii. Outline and critically review your organisation’s HRM strategy. Justify your answer.

C

5. You have received the following email from a managerial colleague.

'I've been asked to give a short talk to a group of middle managers in our luncheon club on "The main differences between the UK's liberal market economy and mainland Europe's social market economy and some of the implications for managing people". Please advise me what subject matter I might usefully include in my talk.'

Drawing on research, draft a response to this request. Justify your answer.

OR

6. In a briefing paper on employment and skills in a national economy, it is reported that 'Future skills demand will depend on the types of jobs that the economy creates.' This paper goes on to say that the future skills demanded by employers will be largely shaped by demographic change, technical change, competition, globalisation, and choice of corporate strategy.

i. Given the importance of having an adequate supply of skills to the UK labour market (or any other named national labour market of your choice) in the medium term, identify (a) **UP TO THREE** sectors of the national economy where demand for labour skills is likely to increase by the early 2020s and (b) **UP TO THREE** occupational groups in the national economy where demand for labour skills is likely to increase over the same period. Justify your choices.

AND

ii. Identify those **OCCUPATIONAL** groups in your organisation, where demand is likely to increase in response to economic, social, technological, and labour market changes by the early 2020s. Justify your answer.

D

7. You have received the following email from a senior colleague in another organisation:

'I went to a business seminar recently where it was reported that it is widely recognised that both national cultural variables (e.g. Hofstede 2001) and national institutional variables (e.g. Brewster 2016) impact on HRM practices within organisations.

i. *Please provide me with examples of (a)* ***UP TO THREE*** *national cultural variables and (b)* ***UP TO THREE*** *national institutional variables in the UK (or in some other named country of your choice) and tell me how they impact on organisational HRM practices.*

AND

ii. *Please also explain, with examples, how* ***EITHER*** *national culture* ***OR*** *national institutions affect HRM decision-making in your organisation.'*

Drawing on research and current practice, draft an informed reply to this email.

OR

8. You have received the following email from one of your colleagues who is doing a Master of Business Administration (MBA) degree.

'I've got to prepare a written paper for my MBA tutor on ***ONE*** *named international organisation (e.g. OECD, World Bank) and critically examine its functions in the global political-economic system. With your knowledge of international organisations, please give me some advice on what to include in my paper.'*

Drawing upon research, draft a reply to this request.

E

9. You have been asked to give a short talk to a group of school leavers about the impact of **UP TO THREE** current economic and/or social policies of the UK Government (or of any other named Government of your choice) on your organisation.

Drawing on research and current practice, draft a response to this request. Justify your answer.

OR

10. Drawing upon research, you have been asked to give a short talk to a group of first-line managers on **UP TO THREE** benefits and **UP TO THREE** disadvantages for businesses of belonging to employers' organisations or business pressure groups.

Draft what you will say. Justify your answer.

END OF EXAMINATION

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Introduction

This report reviews the September 2017 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, only 252 candidates sat the written examination, which was a relatively small cohort of examinees compared with recent examination diets. Of these, 166 achieved a pass standard or higher giving an overall pass rate of 65.8%. This is about two percent lower than in recent examinations and is accounted for by wider variations in examination performance amongst centres and a larger proportion of resit candidates on this occasion. The proportion of distinction and merit grades increased in this time, but the proportion of fail scripts rose. The breakdown of grades is shown below,

Examination results of 7HRC, September 2017

September 2017		
Grade	**Number**	**Percentage of total** (to 1 decimal point)
Distinction	10	4.0
Merit	27	10.7
Pass	129	51.2
Marginal fail	11	4.4
Fail	75	29.7
Total	**252**	**100.00**

The examination consisted of two sections, a seen case study in Section A and short answer questions in Section B, where candidates had to attempt five (out of ten) questions, which were 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 were expected to match the CIPD vision of the HR professional as a business partner and a thinking performer, able to deliver day-to-day operational requirements and reflect on current procedures, systems and contexts. They were also expected to be able to contribute to continuous improvement and change initiatives.

Candidates were 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.

Section A

Learning outcomes: 1 and 6

This section consisted of a seen case study with four tasks, where candidates were expected to answer all in a briefing paper format. The case-study organisation, which was a small, thriving international recruitment agency, covered most of the module's learning outcomes. But the case was particularly intended to test in-depth knowledge and understanding of Learning Outcomes (LOs) 1 and 6.

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

Candidates were much better placed to do well in the case study, where they had conducted research into the context of the case-study organisation. Commonly, two of the tasks were done well but the other two were weak, leading to a disappointing overall mark.

There are various ways in which this case could have been approached, but the practicality and depth of responses were more important than providing ideal solutions. The following commentary illustrates the types of issues that could be examined and developed in answers.

Task 1

This asked candidates to undertake an appropriate socio-cultural, technological, economic, environmental, political, legal and ethical (STEEPLE) analysis of the external contexts of GB across the whole company.

A variety of issues could be drawn upon in doing a STEEPLE analysis of GBL. The following are neither exclusive nor exhaustive. These include: socio-cultural – such as demographic trends, size of working population, age distribution, gender, ethnicity, religion, educational standards and social values. Technological issues – such as research and development, technological change, information technology, robotics, research and development, medical advances, and ICTs. Economic - macroeconomic policy, markets and prices, economic growth, size of firms, investment levels, public spending, global trends, exchange rates, labour and capital markets, price levels, wages and salaries, imports and exports, employment and unemployment. Environmental – pollution, global warming, sustainable development, conserving natural resources, carbon footprints, protection of the eco-environment. Political - taxation policy, political party in power, pressure groups, public opinion, public policy, political stability, local government, devolved assemblies, public opinion, role of the EU, international organisations. Legal - contract law, company law, employment law, codes of practice, regulatory bodies, the legal system, the courts, ECJ. Ethical – balancing stakeholder interests, ethical business practices in the workplace, ethical consumption, ethical purchasing, promoting employee welfare, human rights, corporate social responsibility.

Surprisingly, relatively few candidates drafted a position paper, which presents an arguable position about an issue or issues, as asked for on the examination paper. However, the STEEPLE was generally completed quite well. Many answers were largely descriptive, but better candidates went on to analyse the factors they identified in the second task quite well.

Better answers to this task demonstrated that those candidates who had undertaken relevant preparatory research on the effect of external factors on the company, generally performed better than those who hadn't. Weaker answers displayed one or more of the following: note-form answers with no explanation; scant or no regard to how external factors might be different for GBL's offices in overseas' offices; and an emphasis on the internal issues of the company rather than its contexts.

Task 2

This required candidates to provide a commentary and review of the possible impact of up to five of these contexts on future HR strategy and/or HR practices within GBL.

Responses to this were likely to overlap with the content and analysis provided in Task 1, since candidates were expected to draw upon the material they provided in responses to Task 1. The possible impacts of up to five of these factors could then be related to HR strategy/HR practice within the organisation. But there were no definitive responses to these issues. Evidence of critical reflection, critical evaluation, and relevance to the question set were indicative of different levels of performance.

Good answers to this used the STEEPLE analysis well, by identifying five contexts and by reviewing future HR strategy in an informed and effective way. Weak answers tended to repeat information provided in Task1 without relating it to HR strategies and practices in sufficient depth. The best answers again were those that discussed the need to consider HR strategies in terms of differing cultures and economic conditions. Most answers discussed HR practices, some of which were explained effectively.

The weakest answers contained outlines of improvements to factors such as recruitment, rewards, flexible working, technology and so on. But they failed to demonstrate which of the STEEPLE elements were the impetus for these initiatives. Some less able candidates repeated the arguments presented here in Task 3, but with slight additions or using different words. There were also some candidates that missed out the HR element of the Question. They tended to discuss the impact of these factors on the whole business, so they were not fully addressing what was being examined.

Task 3

This asked candidates to make the business case for introducing a specialist HR capacity within GBL's Oxford location.

The basic business case for introducing a specialist HR capacity within GBL Oxford is the increasing size and complexity of GBL, in conditions of continual contextual change and organisational renewal. A larger business needs a more sophisticated HR function, line managers' need more support, and the needs of employees expand. These and related points could be more fully developed in candidate answers.

Learning and development is a crucial element in the transition of the company to becoming larger and more occupationally diverse. Establishing a robust HR department means GBL can organise delivery of HR functions/services (from recruitment to severance) to best support the achievement of GBL's goals and its legal compliance. Issues such as use of outsourcing, the business partner role, and HR competencies could be usefully addressed too. Ulrich, for example, is a helpful source of ideas and good professional practice here. But being a relatively small organisation, a simple HR function may be more appropriate.

In responding to this task, some candidates looked at the reasons for introducing a specialist HR capacity in GBL and showed how this might be done. But generally, the business case was not addressed effectively, where it was, the outcomes and benefits were highlighted but often the costs involved were overlooked. This provided the biggest challenge for candidates in Section A of the examination, because the business case was not well made by many candidates. Better candidates provided a sound account of the external and internal business benefits, but weak answers failed to do this. Most candidates, however, based their discussion around the need to create HR procedures and practices to reduce the work load of line managers.

Too many candidates used this as an opportunity to include what they knew about the Business Partner model and continued to explain how the HR function should be structured, paying less emphasis on why a HR function is necessary. Those who did argue for a HR function produced quite operational answers, focusing on what HR could do within the organisation. Very few picked up on the need for a business case, suggesting these candidates were not really confident of what was required.

Task 4

This asked candidates to critically examine up to three technological developments likely to impact on how GBL employs people and provides services to its clients in implementing its 2025 Vision in the next few years.

Technological trends likely to affect the product markets of MGL include: digitalisation of products and services, research and development, energy demand, fossil fuels, renewable energy, developing and recruiting the workforce, use of social media, upgraded technology, methods of worker surveillance, new forms of digital communication, changing role of social media, and other related areas.

Most candidates could identify a range of technological developments in response to this. However, it is debatable whether all those listed were in fact technological developments, such as use of the Internet. Answers differed from basic descriptions of how GBL might use the technology, whilst others fully addressed what had been asked. They did this by critically reviewing the impacts on both GBL and the service it provides to its clients. Responses to this, therefore, tended to produce quite descriptive answers rather than providing any critical examination of the range of evidence available.

Better candidates, however, explained how these technologies would impact on the employment of people and services to clients. Indeed, better answers contained commentaries on some of the drawbacks, such as misconduct in the use of social media, or issues of data protection, for example.

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 asked candidates to draw on research and current practice and explain what 'broader set of practices' would they expect to be included within an effective performance management system. They also had to discuss the extent the performance management system in their organisation was an effective one.

Although a common organisational practice, there are a variety of recognised approaches to performance management (PM), which can be applied at organisation, business unit, team or individual levels. Generally, three processes are involved: planning, improving and reviewing. In one PM model - systems for managing organisational performance - the focus is on determining the organisation's strategy and implementing that strategy through the organisation's structure, technology, business systems, where employees are not the primary focus. In systems for managing employee performance, and its variants, PM involves a cycle, where managers and subordinates have shared views of what is expected of them. This cycle involves performance planning, performance assessment, and corrective and adaptive mutual action through feedback and discussion. A third approach, systems for managing organisational performance and employee performance, combines elements of both the other models. The second part of the Question needed to be related to candidates' own organisation.

Many responses did not provide a rounded approach to performance management and, despite the question highlighting the issue, many candidates focused on the appraisal system rather than the broader set of practices that are required in effective performance management systems. Better responses analysed the approach their own organisation takes to performance management and critically examined the outcomes of these systems.

Those answers not worthy of a pass were too focused, despite the guidance in the question, on appraisals. None of these candidates adopted a dedicated systems approach to the answer, although a few stressed the need for sound links between activities such as induction, objective setting, learning and development feedback, rewards, and so on. The predominant thrust was an individual employee-centred approach. Answers worth a bare pass normally provided a sketchy outline of the cycle of agreed objectives, performance assessment, and continuous feedback.

These tended to emphasise that the latter should not be restricted to a yearly appraisal. These answers earned a pass, largely because the arguments relating to the candidates' own organisation generally provided reasons why their system was ineffective.

Question B2

Learning outcome: 2

This question asked candidates to select any one recognised model of the HRM function and critically review it.

A variety of models of the HRM function have been proposed since the 1970s. These include Legge, Tyson and Fell, Monks, Storey, Wilkinson and Marchington, Proctor and Curry, Reilly, Ulrich, and Ulrich and Brockbank. Candidates could select, describe, analyse and review any one or other relevant model in responding to this Question, including some of their weaknesses.

The most common choice of model on this occasion was Ulrich's three-legged stool. The first differentiator between low and high marks was the extent to which the model was described. Some of these were commonly very brief, with little explanation of the functions of shared services and so on. In contrast, better answers contained quite extensive explanations of the Ulrich model. The second differentiator was the extent of the critique, with weaker answers only outlining the model.

Better answers contained commentaries on how the model can provide efficiencies and added-value if applied properly. Weaker answers tended to provide a description of the chosen model without an appropriate critical review. Better responses used an analytical approach by looking at the benefits and limitations of the model, whereas weaker answers remained descriptive, with little critical evaluation of the chosen model.

Considering the business partner model is such a well-known one within the student HR community, the answers overall were quite disappointing. The level of knowledge and of critical evaluation in answers ranged considerably. Some scripts included a very limited description of the model, with almost no critical review. Even those that included a critical review didn't see very confident in doing this. Only a few of these scripts considered both the advantages and disadvantages of adopting this model.

Question C3

Learning outcome: 3

This question asked candidates to draw upon research and describe and analyse what is meant by the 'emergent' approach to strategy and critically review it.

They also had to describe and review the strategic approach their organisation adopts (or does not adopt) in determining its strategic direction and justify their answer.

Most candidates understood the emergent approach and could articulate the nature of this approach to strategy. Some answers were largely descriptive in content, but many gave arguments for and against its use. Most candidates could evaluate their own organisation's approach to strategy.

Most candidates who answered this question passed it, but the standard was variable. A general sense of emergent strategy was evident in most scripts, but there was an element of confusion in some of them. The level of critique varied, with some candidates managing a competent description and little more than that. Responses to the second part of the question were commonly short, with the potential to be developed further.

Among weak candidates, their comments commonly bore little relevance to what was asked. Other weak answers provided muddled comments in the first part to the question, and it wasn't always obvious whether these related to emergent or planned strategy. Some candidates referred to Mintzberg's 5P categorisation of strategy but they didn't use it convincingly, because they failed to demonstrate which Ps could arguably be emergent or planned. A main issue in some weak scripts was absence of a satisfactory definition of the term 'emergent approach'. Most of the arguments suggested it was contingent upon and responsive to external factors and is more flexible and innovative than is planned strategy

As with answers to Question 2, better responses could describe the features of emergent strategy, the rationale for its adoption in turbulent environments, and provide an informed critique of it. Weaker answers were thin on content and/or contained little or no critical evaluation. The second part of the question was not always answered very competently.

Question B4

Learning outcome: 3

This required candidates to draw on research and select any one model of best-fit HR strategy and critically review it. They also had to outline and critically review their organisation's HRM strategy and justify their answer.

Best-fit (or outside-in) HRM focuses on aligning HRM and business strategy and the external contexts of the firm. Best-fit tends to link generic business strategies to generic HR strategies. These include a variety of matching, external-fit models, structural, internal-fit models, and business life-cycle models. Each has its critiques including: their claimed simplistic responses to organisational strategy, their dependence on rational strategy formulation, the absence of some critical elements in them (such as workforce motivation, employee needs, and employment relations), linking HR strategy with competitive strategy lacks sophistication, insufficient attention is given to change, the objectives of people management are complex, and consistency is important for people management – a factor not incorporated in these models. An analysis and critique of candidates' own organisational HR strategy was also expected.

Given the supposed centrality of this topic to the role of HRM, it was very surprising that so few candidates in this cohort of students attempted this question. Of those that did, most struggled to provide a convincing M-Level response. Many answers contained little by way of evaluation and, similarly, little justification for the choice of HR strategy in their own organisation.

Few candidates on this occasion appeared to have sufficient appreciation of a best-fit model, not only to explain it but also to critically review it. There was a tendency to critically review best-practice rather than select one best-fit model. Basically, fail answers either did not choose a specific best-fit model, or contain any critical commentary, which was often too brief.

A few candidates merely discussed vertical and horizontal integration. A further weakness in these scripts was not to provide a decent critical review of the chosen model. But in pass answers, there was at least some attempt at both parts of the question. The common best-fit models chosen were either the matching or life-cycle approaches. Critiques of these, however, were often basic and applications to the candidates' own organisations were commonly unconvincing.

Question C5

Learning outcome: 4

This asked candidates to give a short talk to a group of middle managers on "The main differences between the UK's liberal market economy and mainland Europe's social market economy and some of the implications for managing people".

Basically, the UK's LME is centred on the financial sector and de-regulated labour markets. European social market economies (ESME), in contrast, are built to varying degrees around partnership between capital and labour interests and more regulated relations between firms and their workforces. In the UK LME, markets are price-driven, firms seek short-term profitability, and privatisation is deep-rooted. In ESMEs, firms seek market share, planning is longer-term, and privatisation is less deep rooted. In the UK, banking is marketised and centralised, returns on capital are short-term, and management is hierarchic. In mainland Europe, banking is more traditional, regional and regulated, returns on capital are longer-term, and management tends to be consensual.

In the UK, a universal public welfare system is being reconfigured and private welfare increasing. In mainland Europe, universal provision is stronger and private welfare lower. Most importantly, the UK labour market has low job security, a low level of skills, employment levels are high, and employment flexibility is high. In mainland Europe, job security is higher, the skills base is high, unemployment is high, and flexibility is variable. The implications for managing people affect all aspects of HR practice; no prescriptive set of practices are expected from candidates.

Answers often provided a list of features of each type of economy, but with little exploration of the implications for managing people. Where this was done, the answers provided were good and well-thought through.

For those candidates achieving a bare pass standard of performance, they could outline the essential differences between the two economic systems and, to a greater or lesser degree, were able to reproduce them. The main differentiator in the marks awarded was the quality of discussion on the implications for the management of people. In answers that were marginal fails, such comments were absent. In others, they were rather brief and focused mainly on job opportunity, job security and redundancy. Some arguments were debatable. The suggestion that employee engagement, corporate social responsibility, and business ethics, for example, support employee motivation in LMEs is questionable.

As in previous examinations, this topic has not always proved to be a popular or well answered choice. This time, there were a few very good answers. Some candidates could identify the key differences in the different economies, whilst a small number recognised the audience for the talk. But the second part of the question – the implications for managing people – was not well answered.

Question C6

Learning outcome: 4

This two-part question asked candidates to identify and discuss (a) up to three sectors of the national economy where demand for labour skills is likely to increase by the early 2020s and (b) up to three occupational groups in the national economy where demand for labour skills is likely to increase over the same period. They also had to identify and discuss those occupational groups in their organisation, where demand for them is likely to increase in response to economic, social, technological, and labour market changes by the early 2020s.

Sectors where demand for labour skills - as measured by occupational classification and qualification attainment - are likely to increase in demand by 2020 include: construction, business and other services, trade and transport, public health, administration and education. Occupational groups in the national economy where demand for labour skills is likely to increase over the same period include:

professional workers, associate professional workers, managers, caring services, leisure and other services, and skilled trades.

Candidates also needed to examine how labour-demand for different occupational groups is likely to increase in their organisations over this period. It has also been noted that trends in the changing occupational structure, which has seen an increasing divide in the skills structure between high-skill and low-skill jobs, may mean those in less skilled occupations will have less opportunity to access high quality employment in the future.

There were wide variances in answers to this question. Where the candidate clearly understood the differences between sectors of the economy and occupational groups, the answers were normally very good. Many were not clear on this distinction, resulting in answers that were weak and did not score well.

In what should have been a straight-forward question, a mixed set of responses were generated. For those attempting it, a large proportion did not achieve a pass standard. A common mistake made by many candidates was to confuse sectors with occupations and for some candidates to include sectors but then not any occupations in the second part of the question

Another weakness was lack of justification provided for the sectors and occupations selected. Overall, however, most candidates performed better in the second part of the question, because the justification of their answers came from their knowledge of their own organisations.

Question D7

Learning outcome: 5

This asked candidates to provide examples of (a) up to three national cultural variables and (b) up to three national institutional variables in the UK (or in some other named country of their choice) and explain how they impact on organisational HRM practices. Candidates also had to explain, with examples, how either national cultural variables or national institutional variables affect HRM decision-making in their organisation.

Examples of national cultural variables likely to impact on HR practices include: universalism (as opposed to particularism), individualism (v. communitarianism or collectivism), achievement (v. ascription), neutral (v. affective), specificity (v. diffuseness), sequential (v. synchronic) and inner directedness (v. outer directedness). Another model is the Ingelhart and Welzel ‘values map’, which analyses traditional-values, secular-rational values, survival-values, and self-expression values between societies.

Institutional variables include those arising out of different legal systems, political systems, economic systems, where HR policies and practices are designed and implemented. These typically illustrate differences between corporatist, Keynesian and neo-liberal models of the economy. The question then turned to the impact of such variables on candidates own organisations.

This was not a popular question and one again where there was a wide difference in understanding and application. Despite the question being phrased to indicate the use of a model of culture being appropriate for the analysis many answers did not use one. Most candidates were weak on national institutional examples too. Responses to the second part of the question were also generally limited. Of those candidates attempting this question, however, the majority did achieve a pass standard but no higher. It appears the candidates who could identify national cultural variables and institutional variables did not have the depth of knowledge to expand on these to provide M-level standard answers. This lack of knowledge then impacted on the quality of responses in the second part of the question.

Question D8

Learning outcome: 5

This asked candidates what to put in a written paper about one named international organisation and critically examine its functions in the global political-economic system.

There is a variety of established, major international organisations, such as the Organisation for Economic Co-operation and Development (OECD), which seek to promote mutually supportive policies across a wide range of economic, social and environmental issues. These policies aim to accelerate poverty reduction, reduce inequalities, and meet agreed development goals.

Any single international body could be described and analysed here. Examples include OECD, ILO, IMF, World Bank, World Trade Organisation. All these bodies reflect acceptance of globalisation, the neo-liberal economic consensus, and promotion of policies relating to free trade, economic de-regulation, privatisation, avoidance of large fiscal deficits, and wider concern with world poverty and economic development in low income countries. Some critical examination of the chosen organisation is expected.

Candidates attempting this question scored well in general, except those who wrote about MNCs and international business organisations rather than those international organisations that function as part of the global political-economic system. Examples were provided in the question, so it was clear what was expected as a response here. Those who chose to talk about the IMF, World Bank and so on were generally clear on the role and influence of the institution and offered some level of critical analysis of its role.

Weak scripts did not cover or analyse these organisations very well, because candidates knew of their existence but were not able to examine their roles in any depth. It is likely that such a question will always ask for a critical examination of the organisation's role, but unfortunately many candidates are not preparing themselves to respond to this appropriately.

Question E9

Learning outcome: 7

This asked candidates to discuss the impact of up to three current economic and/or social policies of the UK Government (or of any other named Government of their choice) on their organisation.

Candidates could draw on any economic or social policies initiated by Governments. They had a wide of ranges of polices to choose from. These include, but these are neither exclusive nor exhaustive: economic growth and economic stability; tax and welfare; education; defence and international affairs; the environment; health and social care; the living wage; immigration; the EU and others.

The best answers to this question came from those employed in public-sector organisations, who had first-hand experience of the impact of austerity measures on their organisations. Predominantly, the arguments presented focused on the one percent pay cap, lower budgets from which organisations must accommodate the apprenticeship levy, low morale and higher labour turnover. A weakness in some answers was failure to clearly identify the economic or social policy areas that were the foundation for their discussions.

Two common areas outlined were the apprenticeship levy and the 'help to buy' scheme, but often discussion on examples such as these was discursive and provided only limited analysis of the impact on their organisation. As is often the case, this was the last question attempted and time was running out for these candidates.

There were several answers that focused on Brexit and its impact on staffing; Brexit is not itself a policy, so these answers would have been strengthened by the inclusion of policies the government are pursuing within the Brexit process, such as the single market negotiations, possible amendments to legislation, and rules regarding immigration.

Unfortunately, not all candidates were able to cite what would be considered a government social or economic policy, but for those who did, the quality of answers varied depending on the level of discussion of the impact on their organisation, and whether the candidate included any justification in their response.

Question E10

Learning outcome: 7

This asked candidates to assess up to three benefits to businesses of belonging to employers' organisations or business pressure groups and up to three disadvantages.

Businesses try to influence politics, governments and international agencies to promote their commercial and market interests. They do this by: organising into pressure and action groups at sector level, organising at national level, organising at international level, lobbying national and local politicians, ministers and governments, lobbying and using pressure group politics cross-sector and cross-nationally, using public relations and media campaigns, using the mass media, and by influencing the regulatory institutions of the state.

Businesses can also influence the public through advertising and by controlling mainstream media agencies. They influence international organisations and economic and political agreements. With virtually an unlimited access to money and other resources, corporations can easily influence governments to promote economic, social and business policies favouring them at the expense of consumers, citizens and families.

Considering how prolific and clear the research and academic writing in this area is, this question was generally poorly answered. Many candidates did not really understand the role of business pressure groups and were unable to give solid suggestions for advantages and disadvantages for businesses belonging to them. Little research evidence was presented but the role and purpose of member organisations was generally well described. Benefits appeared to be better appreciated than disadvantages.

Better answers contained arguments such as strength in numbers, networking and sharing best practices, poaching staff, pursuing interests that favoured the more influential members, and cost of membership. The best answers began by outlining the rational and objectives of these groups, such as to represent the sector or group and to persuade government to take account of their interests when formulating policy and legislation. This simple introduction would for some candidates have provided a reasonable demonstration of their knowledge, understanding and business orientation.

Regretfully, some candidates still confuse employer organisations with trade unions and conflate business pressure groups with other campaigning groups, such on social rights. These were not the questions asked. Weaker answers showed uncertainty as to the nature of pressure groups or employer organisations.

Further, some answers, often in bullet point format, failed to present meaningful benefits and drawbacks of membership. In some instances, the benefits and disadvantages discussed related to employees not a business, such as staff retention and motivation.

Conclusion

The pass rate in this examination diet was 65.6 %, slightly down from the previous examination in May 2017. There were some very good scripts at distinction and merit levels but there were also some poor, fail scripts. This needs to be addressed by the centres concerned.

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

1. To repeat once again a point made in earlier 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. Candidates are expected to read around the subject matter of the module and provide informed, justified answers to the questions set. Candidates need to supplement their studies through wider reading. These sources include academic journals, professional periodicals, and the quality press, as indicated on many occasions by the Chief examiner.

2. As observed in earlier examinations, candidates were much better placed to do well in the case-study where they had conducted research into the contexts and content of the case-study organisation. Often two of the questions were done well by candidates and two were weak, leading to a disappointing overall mark for these candidates. Where Section A is answered well, candidates are likely to use the case-study material appropriately to help frame their answers.

3. Where candidates did well in Section A, there was evidence of sound pre-planning with inclusion of statistical data relating to the four locations. This could have been done by drawing up a STEEPLE or SWOT analysis before the examination. Weak candidates showed a lack of planning before the examination, where arguments relating to HR practices were typically repeated several times. Weaker answers often contained arguments that were muddled and did not answer the questions set.

4. Once again, it was very disappointing to see the number of candidates who had apparently failed to research the case study and its contexts in advance of the examination. There was also limited evidence of wider reading and research

throughout these scripts. On the other hand, those candidates who appear to have conducted research on receipt of the case study tended to produce a set of well-informed responses in the examination room

5. Turning to Section B of the examination, as on some other occasions the performance of candidates was generally weaker in this section than in Section A. Questions in Section B were in similar topic groupings, as in other examinations, and well-prepared candidates would have had little difficulty responding to them. The questions offered candidates plenty of opportunity to do well. The overall impression is the results in Section B were less to do with lack of knowledge and understanding of the topics set, but the inability of candidates to apply their knowledge and produce effective, evidence-based answers to them. As reported previously, several centres could improve their pass rates by providing students with more development opportunities in skills analysis, critical evaluation, and reflective justification.

6. It seems too that some candidates are still not aware of the need to support their arguments with appropriate research evidence. A further weakness, again also previously reported, is an inability of these candidates to provide a comprehensive critical evaluation of a topic and a balanced and well-reasoned application of a concept to the candidate's own organisation. Some candidates need to realise that repetition of the same arguments in two or more separate answers is to be avoided, as it undermines their credibility and level of professional competence.

7. Three areas where candidates need to be better informed, based on this examination, are: HR strategy; national cultural and institutional variables; and the meaning of sectors and occupational groups. It is also disappointing to note that too many candidates this time attempted questions and topics in Section B, where they appear to have had a very limited level of subject knowledge. To pass an examination at Masters level, depth of knowledge is essential to be able to critically examine or review the available evidence. Candidates with a sound understanding of the subject area are then able to provide a greater level of critical analysis, thus demonstrating the higher order of thinking required of an M-level student.

8. More generally, an important observation for this examination is that a higher proportion of candidates performed better in Section A than in Section B. Some performances in Section B were particularly disappointing. This in the main reflects lack of knowledge of some key curriculum areas by the candidates sitting the examination. There is also a significant number of them who struggle to provide any critical review, or do not respond to all parts of questions set. The need for candidates to prepare robustly and effectively when they receive the case study is imperative. And the importance of attempting past examination questions should be re-emphasised.

Candidates who sit this examination with just a basic level of knowledge invariably under-achieve. It is evident that more guidance and coaching should be made to available to students in some centres.

9. It is the view of the examining team that this examination tested the indicative content and learning outcomes of this module in a broad and engaging manner. However, the results indicate that those who failed the examination need to keep abreast of the current business environment and to research the seen case study in advance of the examination.

10. There is clear evidence from this examination that some candidates had prepared well for the examination, both for the case study and for the questions in Section B. These candidates tended to produce good answers or even better ones. Those who didn't were more likely to perform badly and fail the examination.

I'd like to acknowledge and thank my team of examiners once again for contributing to the speed and quality of the assessment process in this national examination. The Examiners on this occasion were: Alan Peacock, Amanda Thompson, Chris Evans, Dee McGhee, Derek Adam-Smith, Helen Bessant, John Ashcroft and Rachel Cooper. My special thanks too to Amanda, who is now leaving the examination team, and to Rachel who has joined us.

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Chief Examiner