EXAMINER'S REPORT

May 2016

Chartered Institute of Personnel and Development

Advanced Level Qualification

Human Resource Management in Context

May 2016

Date: Tuesday 24th May 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.

<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.

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-Group Ltd (MGL) is a private limited company, established in 1970, to sell classified directories in the UK. It has expanded by acquisitions and mergers and now provides local search, digital and print marketing solutions for small and medium-sized enterprises (SMEs). Its products and services include online marketing solutions and websites, and print and distribution-based marketing services. MGL has a limited range of markets in the United States (US).

MGL classifies its products and services into digital solutions, print solutions, and other products. Its key products and services are:

- website design
- search engine marketing
- display advertising
- search engine optimisation (SEO) services
- directory listings

MGL employs 7,000 people in the UK, with headquarters in Birmingham. Its young workforce consists of managerial, administrative, technical and logistics staff, with good information technology skills.

Market position

MGL has established a strong portfolio of digital solutions to diversify and reduce its dependence on the print directory business. The company has developed a range of digital media, starting with digital directories using desktop, smartphone and other devices. MGL's digital services help SMEs in their online presence and increase their customer reach. Its digital solutions also include search engine marketing and display advertising campaigns. Its main competitors are five large UK public companies.

In its established UK markets, MGL provides solutions to some 500,000 customers. The company has designed and manages over 200,000 websites and its digital platforms are accessed by 10 million users monthly. It has a leading position in the directory publishing market in the UK and works closely with its customers to give them quality digital and print services to generate leads and build customer loyalty specific to their businesses. From print-based and digital directories, to search engine marketing and mobile optimised web design, MGL utilises the impact of print media alongside digital products to deliver a complete marketing solution. MGL's limited presence in the US helps insulate its business from economic upheavals in its UK markets, thus diversifying its business risks.

Market prospects

- There is a positive outlook for spending on global digital advertising, which is expected to grow at a compound annual rate of 15 per cent between 2016 and 2020. This growth will be driven by strong contributions from mobile, online video, and social networking advertising platforms. Because of the rising use of smartphones and tablets, these markets are expected to grow.

- Through its website business, MGL offers a range of search engine optimisation (SEO) services, which help customers increase their visibility, presence and reach.

- MGL's media and device proliferation allows MGL more ways to target customers in the right place, right time, right channel, with the right message.

- Digital marketing has grown strongly in the US, where industry estimates indicate it will reach $103 billion by 2019. This provides some future marketing opportunities for MGL in the US.

Challenges

The advertising and media services industry is intensely competitive. It competes for usage and advertiser spending against traditional print media, internet search companies, and other businesses. Some of MGL's competitors have a stronger financial position and more resources to conduct their businesses. Intense competition may result in continued pricing pressures affecting MGL's market share and profit margins.

MGL also faces rapid technological changes. The directory advertising industry is subject to technological developments, such as information distribution methods and the technological preferences of users. The internet and wireless devices used by businesses may result in new technologies being developed and services being provided that compete with MGL's products and services.

MGL's growth and future financial performance thus depend on its ability to develop and market new products and services, as well as negotiating strategic arrangements with national search companies and utilising new distribution channels. Failure to respond adequately to technological changes and user preferences will hamper MGL's growth prospects.

Conclusion

With increased digitalisation, there has been a decline in print directory advertising for some years. Industry estimates suggest revenues generated by print directory advertising will decline at a compound annual rate of 12 per cent for the period 2015-19. Thus dependence on the print directory business may have an adverse impact on MGL's financial position. Another weakness is being privately-owned. Compared with public companies, MGL is disadvantaged in raising capital, since public companies have greater flexibility in funding and better access to capital. The HR function of the business is reactive and administrative, not strategic. Given its changing business contexts, the Managing Director (MD) has concerns about MGL's competitive advantage in the marketplace.

At an away day planned for MGL's board, the Managing Director (MD) wants to start a debate on a 'Strategy for the Future' informed by an external consultant. As a business consultant specialising in environmental and contextual analyses, you have been asked by the MD to draft a position paper for discussion at this event. You are required to provide responses to the following questions, drawing on research and current practice in presenting your findings.

1) Using Porter's 'five forces analysis' (threat of new entrants, threat of substitute products or services, bargaining power of buyers or customers, bargaining power of suppliers, intensity of rivalry among existing competitors – or any other appropriate conceptual framework as a method of analysis), identify and analyse MGL's sources of competitive advantage given its present market position and short-term prospects.

2) Argue the cases FOR and AGAINST adopting a formal HRM strategy in the company.

3) Critically review UP TO THREE demographic trends likely to impact on the demand for labour by MGL and UP TO THREE demographic trends likely to impact on the supply of labour to MGL in the next five years.

4) Critically review UP TO FIVE technological trends likely to impact on the product markets of MGL in the next five years.

It is recommended that you spend 25% of your time on each of Questions 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. You have received the following email from a managerial colleague in your organisation.

'I'm a new member of staff and have just attended a management seminar where there was some discussion about "stakeholder theory." I found this quite confusing, as I always understood the ultimate accountability of private businesses was to their shareholders. Please explain to me:

  i.   *What is "stakeholder theory" and why has it become more important in discussions about business management?*

  AND

  ii. *Who are our stakeholders and to what extent does our organisation take their interests into account in taking its "decisions?"'*

Draft a response to this request, drawing on research and/or current practice.

OR

2. Organisational structures vary widely and are important because they define how tasks are allocated, internal co-ordination is achieved, and management is organised to achieve organisational goals. Bureaucracy and scientific management have traditionally been the dominant structural models used in business organisations. But recently in some organisations, post-bureaucratic organisational structures have been introduced.

  i.   Drawing on research and current practice, explain what is meant by post-bureaucratic organisations (or post-bureaucracy) and outline why they have emerged.

  AND

  ii. Critically review the extent to which your organisation is or is not a post-bureaucratic one, and why.

B

3. It is commonly argued that an effective performance management system aligns the efforts of supervisors and employees with departmental and organisational goals, promotes consistency in performance review, and motivates all employees to perform at their best, with fairness and transparency.

Drawing on current practice, critically review the performance management system in   your organisation in the light of the above statement.

OR

4. You have been asked to give a talk to a group of young management trainees on 'What managerial politics is and why it is important.' You are expected to use examples from your organisation to illustrate your talk.

Drawing on research and current practice, draft what you will say. Justify your answer.

C

5. There are various definitions of strategic management and many different models of strategy. Basically, strategic management involves the formulation and implementation of the major goals and initiatives taken by an organisation's top management. It is normally based on consideration of organisational resources and an assessment of the internal and external contexts in which the organisation competes.

   i. Using examples and drawing on research, explain why there are so many different models of strategic management and also why no single model is accepted as the 'best' one to adopt.

      AND

   ii. Critically evaluate the approach to strategic management in your organisation.

OR

6. A distinguishing feature of contemporary HRM is its strategic focus and a series of strategic HRM models are examined in the literature. One of these is 'best practice HRM.'

   i. Drawing on research, describe and analyse the main features of best practice HRM and provide an informed critique of it, setting out its limitations.

      AND

   ii. Discuss whether or not the best-practice model of HRM is appropriate to your organisation or not. Justify your answer.

D

7. One view of globalisation describes it as the ongoing process that links people, neighbourhoods, cities, regions and countries much more closely together than ever before. This has resulted in people's lives being interconnected with others in all parts of the world through the food they eat, the clothing they wear, the music they listen to, the information they get, and the ideas they hold.

   i. Drawing on research, set out how far you agree or disagree with this outline of the term globalisation. Justify your answer.

   AND

   ii. Drawing on current practice, critically review the impact globalisation is having on your organisation as an employer of people and a provider of goods and/or services to its customers.

OR

8. The European Union (EU) is a political-economic union of 28 member states. It operates through a system of supra-national institutions and inter-governmental decisions by its member states. In recent years, however, the EU has been the subject of increasing criticism by some business leaders, politicians, and citizens within the Union.

   i. Drawing on research and examples, prepare a talk to a group of MBA students outlining these critiques and explaining why the EU is currently under pressure from its critics within the Union.

   AND

   ii. Evaluate the extent to which these critiques are valid. Justify your response.

E

9. Traditionally, private housing in the UK has been provided by the market sector and social housing through local councils. However, since the late 1970s, social housing has been reformed, with the result that many council houses have been sold to tenants and both local authorities and housing associations now provide social housing. Further, recent government policy is changing the system of housing benefit payments.

   i. Analyse how the UK's cumulative housing policies since the late 1970s have impacted on the supply and demand for housing in the UK today.

      AND

   ii. Critically review the implications of the UK government's current housing policies for (a) organisations and (b) working people and their families.

OR

10. As a business leader, you have been asked to introduce a discussion among senior students at the local secondary school about the growth of regulatory agencies and the regulatory state in the UK (or any other named country of your choice) since the 1980s. You have been asked to cover two issues:

   i. Drawing on research, explain the reasons for the emergence of a regulatory state over this period.

      AND

   ii. Discuss some implications of this regulatory regime for your organisation.

END OF EXAM PAPER

Human Resource Management in Context

EXAMINER'S REPORT

May 2016

Introduction

This report reviews the May 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.

In this examination, 384 candidates took the unit. Of these, 262 achieved a pass standard of performance or more, giving a pass rate of 68.3 %. The breakdown of grades is shown in the table below. This is a lower pass rate than in recent examination diets, but, notably, the proportion of distinction and merit scripts increased in this examination cohort, although the proportion of fail scripts increased.

 Examination results of unit 7HRC, May 2016

May 2016		
Grade	**Number**	**Percentage of total** (to 1 decimal point)
Distinction	14	3.6
Merit	44	11.5
Pass	204	53.1
Marginal fail	26	6.8
Fail	96	25.0
Total	**384**	**100.00**

The examination consists of two sections, a seen case study in Section A and short answer question in Section B, where candidates have to attempt five (out of 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 in this examination, successful candidates are expected to match the CIPD vision of the HR professional as a business partner and a thinking performer, who can deliver day-to-day operational requirements and reflect on current procedures, systems and contexts, so as to be able to contribute to continuous improvement and change initiatives.

Candidates are expected to achieve M-level performance in the examination, drawing upon evidence-based argument, critical thinking and broad understanding of their field of study, not only within their own organisation and sector but also across a reasonable spectrum of other organisations and sectors.

Section A

Learning outcomes 4 and 6

This section consisted of a seen case study with four questions, where candidates were expected to answer all questions. 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 4 and 6.

Pleasingly, a good proportion of pass or merit grades were awarded for this section of the examination paper. Most of these candidates demonstrated a sound understanding of the case-study material and they were able to provide appropriate arguments and critical reviews of the subject matter. For these candidates, this appeared to be a well-received case study, with few surprises or problems. In a limited number of cases, however, where the case-study questions had been 'anticipated' in advance, the answers provided appeared to have been 'learned' and candidates failed to demonstrate adequate knowledge and understanding of the themes in the case-study organisation.

A relatively small number of candidates produced very poor answers to this section. These scripts demonstrated little or no understanding of the issues covered by the case-study questions and candidates appeared ill-prepared for the written examination. In these instances, for what is a pre-seen case study, the answers were very disappointing. These candidates demonstrated little higher-order thinking or relevant research. One would have expected candidates to be able to identify with the digital marketing industry beyond what was given in the case-study material, thus enabling them to demonstrate a greater affinity with MGL and its internal and external contexts. Candidates at these centres need to be helped by the teaching staff to demonstrate M-level performance and relevant research when doing their examinations. Candidates are reminded to present their answers in the format (such as a position paper or report) asked by the Chief Examiner. Once again, most candidates did not do this.

There are a number of ways in which this case could be approached but the following summary points could be examined and developed in answers.

Question 1

This question asked candidates to use Porter's 'five forces analysis' or any other appropriate conceptual framework as a method of analysis to identify and analyse MGL's sources of competitive advantage given its present market position and short-term prospects.

There were 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. However, Porter's Five Forces model is one of the most frequently used business strategy tools. It provides a useful framework to conduct an analysis of the attractiveness of an industry market structure by considering five sets of competitive forces facing MGL: threat of new entrants, threat of substitute products or services, bargaining power of buyers or customers, bargaining power of suppliers, and intensity of rivalry among existing competitors. Other appropriate conceptual framework as a method of analysis could be used to respond to this question.

Most candidates were able to produce satisfactory answers to this question, usually based on the application of Porter's model. These consisted of reasonable analyses of the forces, with the better ones providing practical conclusions or recommendations. A few supplemented their answer with an analysis of the BCG matrix. Weaker answers contained somewhat limited analyses, with little justification, merely arguing, for example, that rivalry was intense and buyer power was high, thus lacking an effective commentary on the implications for MGL. The weakest answers usually failed to apply Porter's model or any other acceptable model. These largely commented on sources of competitive advantage such as a skilled workforce, established customer base and a presence in the US. Most candidates were familiar with the five forces model but may not have been shown how to apply it.

It is surprising that having received the case study in advance some candidates do not, it seems, consider doing some preparatory work, such as SWOT or STEEPLE analyses, which can almost always be put to some use in the examination situation. As elsewhere, there was quite a difference in the standard of performance between strong and weak centres.

Question 2

This question required candidates to argue the cases for and against adopting a formal HRM strategy in the company.

Strategic human resource management (strategic HRM or SHRM) is an approach to managing human resources that supports long-term business goals and outcomes within a strategic framework. In the contexts of MGL, candidates could examine the cases for and against SHRM in terms of their perceptions of MGL's business strategy (such as planned, pro-active or contingent) and its current ad hoc, reactive approach to HR issues.

Basically, the case for a more strategic approach to HRM by MGL includes: where the business operates with a stated planning period, then HR must respond and address this challenge in terms of human resource needs; it promotes recruiting and developing the best employees it can to address business needs; it increases cost effectiveness by appropriate labour utilisation; it promotes planning and estimation of future HR uncertainties that can be avoided by moulding HR tactics to current issues; it helps integration with the strategic needs of the company; it increases

employee participation in strategic planning, facilitating implementation with the HR department; it enables better utilisation of the analytical skills possessed by individual workers; and it helps the HR department make improvements in strategic initiatives for both the short term and long term.

The case against a formal HR strategy includes: formal strategy is too prescriptive and inflexible; it's costly to manage; it doesn't necessarily result in improved decision-making; operating on an ad hoc basis works better; the contexts of strategy are constantly changing, so a strategic approach to managing people is ineffective; line managers resist it; HR departments don't do strategy; and other related issues.

Again, there were some very good responses to this question, where candidates were able to explain both the advantages and disadvantages to the case-study organisation adopting a formal HRM strategy. Typically, answers were more developed on the advantages than the disadvantages. Weaker answers tended to fall into three broad areas: no disadvantages were considered, with candidates possibly misreading the question as 'for or against' or wishing that it had asked that; discussing different types of HRM strategy with little consideration of the advantages or disadvantages of adopting them; or providing an account of formal and informal organisational strategies. Some candidates also confused the need for a corporate strategy with that of HR and, despite many of the reasons being similar, it was then not answered in the context of the question set.

Question 3

This question asked candidates to critically review up to three demographic trends likely to impact on the demand for labour by MGL and up to three demographic trends likely to impact on the supply of labour to MGL in the next five years**.**

Demographic trends likely to impact on the demand for labour by MGL in the next five years include: the changing age structure of the national workforce – ageing and the age distribution of workers; the skills and qualifications of workers by occupation, job and geography; levels of employment and unemployment nationally and geographically; the changing industrial/sector structure; working patterns; and the changing occupational structure. Factors affecting the supply of labour to MGL include: birth rates and death rates; migration trends in terms of immigration into the UK and external migration out of the UK; the language skills of migrant workers; the educational and training standards achieved by workers in schools, colleges, private providers and universities, and the changing age structure in the UK.

There were some really good answers to this question which offered plausible demographic trends such as the ageing population, more women in the workforce, the tendency for millennials to seek careers in the technology sector, the skills gap, and immigration. There was often some commentary on the suitability and advantage of Birmingham as a location, also the number of universities with whom MGL could form partnerships. Weaker answers simply outlined particular trends with little supporting comment on the impact they would have on the demand and supply of labour for MGL. The weakest answers showed uncertainty what demographic trends

are and often discussed technological and economic developments some of which might have been better placed in question A4.
Some weak answers tended to simply list generic trends, without demonstrating how these could impact on the supply of labour to MGL.

Question 4

This question asked candidates to critically review up to five technological trends likely to impact on the product markets of MGL in the next five 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, re-designing the workplace, use of social media, upgraded technology, methods of worker surveillance, new forms of digital communication, changing role of social media and others.

Answers to this question were generally good. Numerous technological trends (mainly digital) were outlined and examined, some of which were very perceptive. The differentiator between better and weak answers was the extent to which the commentaries on the impacts on MGL product markets were included. Better answers were quite detailed and outlined how and where resources should be applied and developed. Weaker answers had much less comment of this nature, with too much attention being given to describing the nature of the trends.

Overall, almost all candidates were able to identify a range of technological trends that would impact MGL's product markets. These answers ranged in quality, however, based on the candidates' ability to relate these trends to the impact on product markets. Some did this very well, whilst others barely linked them at all. Furthermore, some trends did not even relate to the product markets, thus misinterpreting or misunderstanding the question set.

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 objectives 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: 1

In this two-part question candidates were asked to examine what stakeholder theory is and why it has become important in discussions about business management. They also had to discuss the stakeholders in their own organisation and to what extent their interests are taken into account in when decisions are being made.

Stakeholder theory is a theory of management and business ethics that addresses morals and values in managing an organisation. This is in contrast to shareholder or stockholder theory which stresses the primacy of organisational ownership. Various groups of stakeholder groups are identified in the literature and there is some broad consensus which groups these are. There is still vigorous debate between those supporting stakeholder theory and others shareholder theory. Both positions are concerned with the purpose of the firm and with strategies to improve its competitive position. Each considers the firm's best interests but each differs on the most effective approach to realise these interests.

Starting in the late 1970s and early1980s, stakeholder theory emerged from researchers with backgrounds in philosophy, psychology, sociology, and management. They created a new theory of the firm that challenged some of the basic assumptions of classical economics and shareholder theory. The debate continues today. In the second part of the question, candidates needed to relate the debate to their own organisations.

This was a popular question and was generally well answered. Stakeholder theory was well described by most candidates and better candidates provided an informed view of why it has become more important in recent years. Organisational stakeholders were identified appropriately and better answers provided sound academic support when considering stakeholder interests and how they should be managed. Stronger candidates defined stakeholders according to legitimacy, influence and urgency. Alternatively, they used the power/interest matrix. There were also some reasonable commentaries on the extent to which stakeholder views are taken into account, including the methods adopted. Weaker answers commonly lacked any commentaries on this issue and their understanding the importance of accounting for stakeholder views was minimal. Very weak answers only showed the candidate to be familiar with the term stakeholder but knew very little else about them.

Question A2

Learning outcome: 1

In this two-part question candidates were asked to explain what is meant by post-bureaucratic organisations (or post-bureaucracy) and outline why they have emerged. They also had to critically review the extent to which their organisation is or is not a post-bureaucratic and why.

Post-bureaucracy is basically a reaction against classical bureaucracy. It emerged from the search to find effective methods of managing organisational change and dealing with speed of change in organisations. It was driven by the beliefs that conditions for bureaucracy no longer persist, stability in societies and organisations is no longer the norm, and everything is dominated by the speed of contemporary life. If the common features of bureaucracy emphasise rules and regulations, consensus through acquiescence to authority, fixed decision-making processes, definite boundaries, and community of interest, then post-bureaucracy emphasises organisational mission, consensus through institutionalised dialogue, flexibility in decision making, open and permeable boundaries, and networks of specialised functional relationships. The second part of the question needed to be related to candidates' own organisations.

In general, this was not a popular question but the best answers to it were mostly very knowledgeable and handled competently. Post-bureaucracy was defined effectively by comparing and contrasting it with the classical models of organisation. Some commentaries on flatter and matrix structures and employee participation were commonly included in these responses. Weaker answers could have done with more research evidence in the first part of the answer. A factor that tended to weaken some answers to the second part of the question was lack of evidence to support claims that the candidate's own organisations are or are not post-bureaucratic. These answers were too descriptive.

Question B3

Learning outcome: 2

This asked candidates to draw on current practice and critically review the performance management system in their organisation.

Answers to this question depended on the nature and efficacy of the performance management systems (PMS) in the candidates' organisations. Some outline of the PMS being reviewed could be provided. A number of factors have influenced the introduction of PMS since the 1980s: competitive market conditions; theories of quality; public management reform; technology; and individualisation of the employment relationship. Any PMS incorporates three elements or processes within it: planning, improving and reviewing, Candidates were expected to draw on this type of framework in assessing the effectiveness or not of their own performance

management systems. But use of other relevant approaches was not excluded in the review.

This question on effective performance management proved a much more popular topic than did managerial politics and it was generally well answered. Many answers described the kind of performance management system operating in candidate organisations and most of these provided a sound critical review, illustrated by suitable examples. Better answers picked up on the themes in the statement included in the question, thus giving a full answer touching on a number of points. These answers often gave a decent critical account, pointing out what worked and where the areas for development were in the PMS of these organisations. Weaker answers narrowly focused on a single aspect of the PMS, typically the appraisal or even more narrowly the scoring part of the appraisal. Some answers were wholly descriptive. Overall, most candidates were able to critically evaluate their own organisation's PMS but, in some cases, they omitted to do so in relation to the concepts of fairness, transparency and motivation. In those instances, the marks awarded were correspondingly reduced.

Question B4

Learning outcome: 2

In this question candidates were asked to give a talk to a group of young management trainees on what managerial politics is and why it is important. They were expected to use examples from their organisation to illustrate their talk.

Managerial politics is the process of mobilising power within organisations, where authoritative power normally rests ultimately with management as agents of the owners and of enterprise efficiency. Managerial power is involved, for example, where different claims are made against an organisation's resource allocation and resource sharing systems. These expose the existing distribution of resources as represented in salaries, promotion opportunities and discretion in decision-making, as well as in the control of tasks, people, information and new areas of business and business opportunities. The role of 'political game playing' is important here. Managerial politics are generated by many activities. These include: structural cleavages, complexity, uncertainty, salience of the issues, pressures from stakeholders, and the history of past politics. The central importance of managerial politics includes the internal stability required to achieve organisational objectives, the drive to maintain organisational unity, and the adverse consequences of division, disruptive disunity, and political in-fighting.

Relatively few candidates attempted this question but most of them provided sound answers, thus achieving at least a pass level of performance. A clear understanding of the sources of managerial power was demonstrated by most candidates and appropriate examples provided to illustrate the arguments put Pass answers generally contained reference to the utilisation of managerial power and influence to secure resources through networking, trading, and so on. There were also some relevant commentaries on the positive and negative aspects of political behaviour. Game playing was commonly referred to, but there was a need to develop this theme

in more depth for high-level answers. Similarly, Mintzberg's managerial roles were discussed but often not in ways way which effectively addressed the question set. In weak answers, there was typically limited inclusion of organisational examples by candidates.

Question C5

Learning outcome: 3

In this two-part question candidates were asked to use examples and draw on research to explain why there are so many different models of strategic management and also why no single model is accepted as the best one to adopt. Candidates also had to critically evaluate the approach to strategic management in their own organisation.

There are many definitions of strategic management and models of strategic management because strategy is a disputed and contested concept and organisations differ by size, ownership, technology, location and history. Thus strategic management has different meanings for different people at different times. Further, there is no consensus among business leaders and those leading not-for-profit organisations about what strategic management is and its relevance and relative importance to their own organisations. There are also no universally-valid concepts about the nature of strategy and its constituent components. Thus Mintzberg, for example, sees the need for eclecticism in defining strategy: he uses a plan, ploy, pattern, position, and perspective definition.

Various typologies of strategy have been proposed but there is no consensus about what the implications are for practice. As a result, many models of strategy are available but these vary in line with organisational type, ownership, size, type of workers employed, and markets within which an organisation seeks its customers. These ideas provide the background within which candidates were expected to evaluate their organisation's approach to strategic formulation, implementation and evaluation.

Answers to this question identified a number of suitable models of strategic management. However, effective explanations why there are so many, and why no single model is accepted as the best one to adopt, were not as well considered. Critical evaluation of the approach to strategic management in candidates' own organisation tended to be more descriptive than evaluative but most candidates were able to achieve a pass standard of performance.

Weaker candidates tended to be able to write about rational and emergent approaches to strategic management, but in very general terms. Some were able to discuss the different contexts which are suited to each. But answers to the second part of the question were often vague and general and they tended to show a lack of engagement or familiarity with strategic management in practice.

Question C6

Learning outcome: 3

In this two-part question candidates were asked to draw on research, describe and analyse the main features of best-practice HRM and provide an informed critique of it, setting out its limitations. They also had to discuss whether or not the best-practice model of HRM is appropriate to their organisation or not.

There are a number of models of best-practice HR (BPHR). One of the most common is Pfeffer's. Its components include: employment security and internal labour markets; selective hiring and sophisticated selection; extensive training, learning and development; employee involvement, information sharing and worker voice; self-managed teams; high compensation contingent on performance; and reduction of status differences among staff. Critiques of BPHR include: a questioned link between HR bundles and performance; its claimed universality; the relative proportion of labour costs in the firm concerned; and whose goals and interests are served by BPHR. The chosen BPHR model then needed to be tested in terms of its claimed effectiveness for the candidate's own organisation and the responses justified.

There were some very good answers to this question. These consisted of sound comments on each of the elements in the question; together with adequate references to research. On the other hand, weaker answers typically chose an incorrect model to discuss, such as *models of the HR function*, and not the best-practice approach. This is a common mistake repeated by some candidates, who are strongly advised to know the differences between models of the HR function and models of HR strategy. Other weak responses discussed 'good' practice not 'best' practice, although these answer were awarded a few marks for observations that could have been interpreted as being relevant to the question put. Owing to these weaknesses in the first part of the question, there was little chance of answers to the second part of the question being relevant.

Another factor that weakened some answers was failure to identify a specific best-practice model and to describe its main features. This meant that analysis of the best-practice approach was often shallow and discussion of its limitations was seldom well covered. Those whose mark was at pass or marginal pass level sometimes produced a reasonable answer to the first part of the question but included limited commentaries to the second part. As with some other questions, many answers to part two of the question contained little organisational evidence to justify the arguments being presented, as well as being very brief. As noted above, it was also disappointing once again to observe the number of candidates that have failed to develop a good understanding of best-practice approaches to HR strategy, which were often confused with functional models of HRM.

Question D7

Learning outcome: 5

In this two-part question candidates were asked to draw on research and provide a reasoned description of the term globalisation and to justify their answer. Also drawing upon current practice, candidates then had to critically review the impact globalisation on their organisation as an employer of people and a provider goods and/or services to its customers.

Globalisation is a complex, controversial and contested phenomenon. The above view of globalisation is a benign one. Critics of globalisation would provide more reflective and evaluative responses to the phenomenon of contemporary globalisation. In practice, it can be argued globalisation encompasses a more complex set of inter-related features. These include: globalisation of financial markets; internationalisation of corporate strategies; the commitment to competition as a source of wealth creation; the diffusion of technology and related research and development; knowledge creation on a worldwide basis; the transformation of consumption patterns into cultural products and world-wide consumer markets; internationalisation of the regulatory capacities of national societies into a global political economic system; and the diminished role of national governments in designing the rules of global governance. The impact of globalisation can then be analysed by candidates in terms of labour markets, the organisation of work, contractual relationships, networks, customers and changing technologies in their organisations.

Globalisation is a popular topic with candidates and some aspect of it regularly appears in the Section B questions. As such, one would expect a better standard of answers to what was a fairly straightforward question. In too many cases candidates were unable to reference even some basic research or literature to support their points, although the second part of the questions was often answered more confidently. Globalisation is also often misunderstood by candidates and inadequately described and analysed by them.

However, despite the frequency with which this topic appears on the examination paper, many candidates were unable to answer the question set. But there were also some very good attempts at doing so. In these cases, candidates were able to demonstrate their understanding of the concept and apply the theory to the outline in the question. Weaker answers failed to show this understanding. Several of these introduced definitions that explicitly widened the meaning of the concept but used this to justify their agreement with the question's statement. Application to the candidate's own organisation often focused on labour market issues, although some answers did provide a thoughtful and critical approach to the issue of globalisation.

Question D8

Learning outcome: 5

In this two-part question candidates were asked to draw on research and examples and prepare a talk to a group on MBA students outlining the main critiques of the EU and explain why the EU is currently under pressure from its critics within the Union. Candidates also had to evaluate the extent to which these critiques are valid and justify their response.

The EU is under pressure from a variety of socio-economic sources impacting on it in the 2010s. These pressures have resulted in critiques of the Union's effectiveness and democratic accountability by some business leaders, politicians, trade unions, and citizens within the Union. These critiques include the consequences of the fallout of the financial crisis 2008-09, low economic growth rates, regional imbalances in the Union, the effects of its earlier expansion eastwards in post-Communist Europe, inertia within the Union's institutions, the Eurozone 'problem', mass migration into the Union following the wars being fought throughout the middle-east, and the rise of nationalism and populist movements of the left and right in national politics. To what extent there is some compatibility between the demands of certain business leaders for less regulation and 'red tape', of some politicians for economic and political reforms, and of some citizens for greater political accountability in the 'European project', which is being challenged by national political parties and some citizens, is open to debate. The UK faces particular issues regarding Europe, following the Brexit decision following the recent referendum.

Surprisingly, relatively few candidates answered this question, given the recent referendum, but most managed a pass grade or better. But little research evidence was used, although plenty of examples of critiques were given. The first part of the question was better answered than the second part. However, the requirement to evaluate the extent to which these critiques are valid appeared to be a step too far for most candidates.

Weaker candidates knew little about the topic and most of these answers were narrow in their scope and depth. The main criticisms related to immigration and the volume and cost of legislation allegedly imposed on the UK. Despite highlighting supra-national institutions, only the best candidates examined relevant criticisms of them, such as their being overly bureaucratic and undemocratic. A common criticism of inter-governmental decisions is that they are made by non-elected officials. Again attempts at evaluating the validity of criticisms were either minimal or ignored. Weaker answers did not cite any research evidence and the criticisms raised seemed based on hearsay or sensationalised press articles rather than hard data. These answers contained little if any justification for the arguments presented.

Question E9

Learning outcome: 7

In this two-part question candidates were asked to analyse how the UK's cumulative housing policies since the late 1970s have impacted on the supply and demand for housing in the UK today. They also had to critically review the implications of the UK government's current housing policies for (a) organisations and (b) working people and their families.

With a rising national population, there is a shortage of suitable housing for the people needing it. This results in rising house prices in the private market sector, which, in turn, leads to waiting lists increasing in the public/social housing sector. Successive governments have restricted increasing the supply of new public housing for essentially political reasons, forcing many people and households into owner-occupation when they can't really afford it. Lack of suitable housing near to suitable jobs, at a time when public policy has undermined public transport and promoted the car, has resulted in the clogging up of roads by people commuting to jobs and families and households having to pay higher prices for existing housing stock (and their mortgages), as well as shortages in the social housing sector.

Organisations have to take account of these market factors when recruiting and selecting employees. This can mean higher pay bills for employers and increased demand by working families for social housing, which is often unavailable. Existing householders may be geographically mobile if they have to move for promotion purposes or for retirement. But house prices in the market sector, which vary widely by geography and location, continue to rise, with knock-on effects for employers in terms of recruiting staff and the supply of suitable labour. Cuts in housing benefit payments are likely to promote homelessness.

In overview, answers to the two questions in sub-section E achieved the lowest range of marks, as with previous examinations, although there were some distinction grade responses. Nonetheless, some candidates did reasonably well on this question. On weak scripts, there was an inability to consider successive government policies. Thus some candidates understood the selling off of council houses in the Thatcher era but subsequent policies were less well articulated. Answers to the second part of the question varied from the well-informed and aware to scant and unimaginative. Overall, it is quite surprising that so many attempted this with such an apparent lack of knowledge of government housing policy. In contrast, however, those with this knowledge were able to provide well considered answers to both parts of the question set.

The main weaknesses identified in the answers to this question were a focus on current housing policy in the first part of the question, rather than on the cumulative effects post-late 1970s and/or social housing. Answers to the second part of the question were varied. Some were able to draw attention to the impact on recruitment, for example, in organisations located in high-priced housing areas, either owned or

rented. But where lower-level staff skills are needed, many candidates produced very brief answers or ignored the impact on working people and their families.

Question E10

Learning outcome: 7

In this two-part question candidates were asked to draw on research and explain the reasons for the emergence of a regulatory state over the past 40 years. They also had to discuss some implications of this regulatory regime for their organisations.

The emergence of the regulatory state in the UK and elsewhere is a relatively new phenomenon. Since the 1980s the UK government and its organs of state have become more fragmented and dispersed, first, because the civil service department controlled by a minister of state has been superseded by new kinds of executive agencies. A second development has been privatisation of key public services. As 'public utilities' these bodies were now regulated by specialist regulatory agencies. These are a vital form of economic management to try and control monopolies and regulate public franchises. Third, a number of general regulatory agencies were created such as OFSTED, OFCOM and OFGEM. These bodies try to control important domains of public life, where the state asserts a public interest. These bodies emerged out of the re-organisation of traditional inspectorates.

This question was quite well addressed by those who seemed to have experience of or work in regulated industries, but less so by others. The reasons for the emergence were better addressed than the explanation of the impact of that regulation. As with the previous question, this one was not well answered, with little research evidence provided and a number of candidates focusing on EU regulation and its effect on the UK rather than the growth of regulatory agencies. The implications of the regulatory regime for employing organisations tended to focus on individual pieces of legislation such as health and safety at work rather than agencies. Overall, responses to this question were varied. There was a noticeable divide between those with knowledge and those that do not fully understand the background to the regulatory state in the UK. As one would expect, those with a good level of knowledge were able to provide stronger answers to the second part of the question, whilst those with very limited knowledge relied entirely on the increase in legislation to complete their answer. Weaker answers interpreted a regulatory state to mean employment legislation and could not seemingly go beyond this basic level of analysis.

Conclusion

The pass rate in this examination diet was 68.3 %. The examining 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 an effective test of candidate knowledge, understanding and application of knowledge within the module. The marking team observed the following general points in assessing candidates in this examination:

1. Most candidates demonstrated a sound understanding of the case-study material and provided appropriate arguments and critical reviews when required. Answers to Question A1 were generally more substantial and better related to the case-study material than the other three questions. But overall, this appeared to be a well-received case study, with few surprises or problems in responding to it. In a limited number of cases, where questions had been anticipated in advance, the answers appeared to be 'learned' rather than analysed, so these answers failed to demonstrate adequate knowledge and understanding of the themes. Pleasingly, relatively few candidates produced very poor answers to this Section. Those who did demonstrated little or no understanding of the issues covered by the questions set and, more worryingly, appeared ill-prepared for the examination, despite this being a seen case-study sent in advance of the examination. Some candidates did not present their answers in the format of a 'position paper' as asked for in the case study.

2. In Section B of the examination, candidates generally demonstrated a sound understanding of the range of topics across the indicative content. However, it is notable that the questions in sub-section E appeared to be the most challenging topics for this cohort of candidates. Also greater use of academic models, and appropriate research evidence, with more in depth critical reviews when required, would have raised the overall pass rate.

3. In Section B too, there was a general lack of reference to research and persistent use of the phrase 'research suggests that ...' The most often authoritative sources quoted were the CIPD. Questions 1, 3, 5 and 7 seemed to cover topics well-covered in most centres, where some candidates were able to earn an overall pass on the strength of their answers to these questions. But there were two common weaknesses in Section B responses: first, an inability by some candidates to provide a comprehensive critical evaluation of a topic and, second, limited application of a concept to the candidate's own organisation, supported by sound reasoning. There needs to be an improvement in these two areas to ensure better examination results in the future.

4. In Section B answers there was still a tendency to write everything known about a topic area, without applying it to the context of the question set, as well as lack of research and theory to underpin the answers provided. There is also a marked difference between the performance of those candidates in those centres who have prepared well for the examination, and have a good

depth of knowledge, as well as the capability to apply this knowledge effectively to the actual question asked, and those and centres who don't. Too frequently, weaker candidates are still unsuccessfully including their limited knowledge within answers, without attempting to apply this to what the question has asked.

5.   The examiners considered the examination paper to be a fair and sufficiently challenging one, but some of us were surprised at the number of candidates who seemed totally unprepared for it. The range of questions, particularly in Section B offered all candidates a reasonable chance of achieving a pass standard, provided they had received adequate guidance and tuition and had done sufficient preparatory work. Some candidates, however, had particular difficulty producing acceptable answers to Questions E9 and E10 in Section B.

6.   Overall, there appears to be a marked distinction between those candidates that have prepared well for the examination and have a good depth of knowledge, as well as the capability to apply this knowledge effectively to the questions set. All too often some candidates are unsuccessfully including their limited knowledge within answers without attempting to apply this to what the question has asked.

7.   Those candidates who were weak on Section A generally displayed the same failings in Section B, meaning that fail scripts usually failed in both sections of the examination.

8.   In summary, and as indicated above, there are still areas of the learning outcomes, where some candidates still struggle to achieve pass standards of performance. These are: strategic management, strategic HRM, and on this occasion, sub-section E questions in Section B. Centres must ensure their students cover all the learning outcomes of this module.

To conclude, I would like once again to acknowledge and thank my examining team for their outstanding contributions to the assessment process, whilst working within tight time constraints. The examiners were Alan Peacock, Amanda Thompson, Chris Evans, Dee McGhee, Derek Adam-Smith, Helen Bessant, and John Ashcroft.

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Chief Examiner