Chartered Institute of Personnel and Development

Advanced Level Qualification

Leading, Managing and Developing People

May 2016

Date: Thursday 26th May 2016   **Time: 09:50 – 13:00**

Time allowed – Three hours and ten minutes
(Including ten minutes' reading time)

<u>Instructions</u>

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

<u>Information</u>

- Questions may be answered in any order.
- Equal marks are allocated to each section of the paper.
- Within Section B equal marks are allocated to each question.
- If a question includes reference to 'your organisation', this may be interpreted as covering any organisation with which you are familiar.
- The case study is not based on an actual organisation. Any similarities to known organisations are coincidental.

You will fail the examination if:

- You fail to answer five questions in Section B (one per subsection)
  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.

Darius Nutkin is surprised but also very flattered when he receives a call from a head-hunter working on behalf of the Pedigree Banking Corporation (PBC), a well-known UK-based bank with considerable overseas interests. Its HR Director, Jessica Farthing, has commissioned the head-hunter to locate potential candidates suited to the job of heading up the bank's Wealth Management Services Division. Such an appointment would represent a big career jump for Darius, but the head-hunter assures him that the approach is entirely genuine. Jessica has made it clear that her bank is looking for a capable, new leader from outside its existing management team who is relatively young, dynamic and also an innovative thinker. Darius has worked in wealth management for 12 years since graduating, partly in the USA and more recently for an American bank based in London. The job involves advising 'high net worth individuals' with a great deal of money about how they can get the best returns through shrewd and varied investment.

Darius agrees to meet Jessica and a group of senior managers at the UK bank's headquarters in a week's time. He is asked to prepare a 20 minute presentation for them on the people management challenges that he would expect to encounter during his first year in the job and how he would set about tackling them. To that end Darius sets about researching PBC and, in particular, its current management issues. He establishes the following:

- PBC is a large and well-established bank with a long history, a high profile in the UK's financial services markets and a global presence. It has high brand recognition and was able to survive the recent financial crisis without requiring extensive government support. There is very considerable potential for further overseas expansion, particularly in emerging markets.

- PBC's wealth managers are experienced, highly-paid and well-qualified, but rather cautious and traditional in their approach. They are much respected by the current client base which consists in the main of older British people who have been advised by PBC for a long time. On the whole, they are not especially technologically savvy and are happy to leave the management of funds to the bank's experts. Wealthy people who are younger prefer to manage their money in partnership with a bank's advisors and to have continual access via IT systems to information about all aspects of their investments as well as the ability to make changes themselves online. These clients tend to opt for PBC's competitors.

- PBC's wealth management services division is itself divided up into six departments that each specialise in different areas of activity and are based in different locations. Clients are thus obliged to deal with different advisors when they wish to discuss retirement funding, for example, or inheritance matters, tax issues or shorter-term investments. They are not able to deal with one named advisor in respect of all these matters and hence to build up a long-term relationship with that one individual. This means questions from clients take longer to answer than is the case with major competitors and that adjustments to investments take longer to put into effect.

- Aside from lacking agility and the capacity to innovate, the wealth management services division at PBC is insufficiently profitable. Costs need to be reduced by at least 25% by restructuring its operations. There are too many layers of management creating a pay bill which is too high and inflexible. The presence of six separate departments in Wealth Management Services at PBC, each based in a different location, also means that specialised and tacit knowledge tends to be 'hoarded' rather than shared across the division. There is far too much bureaucracy, advisors having to get permission to spend any money at all on hospitality or to do anything outside established protocols.

- Eighteen months ago PBC suffered a great deal of adverse publicity when a group of investment bankers based in its Australian operation were convicted of a range of criminal offences relating to fraud and other irregular activities. While the scandal had nothing whatever to do with the wealth management division in the UK, the brand has been tarnished somewhat and a degree of trust in its values that had been built up over many years has been lost. Any further adverse publicity could have far more serious commercial consequences, particularly if it were to call PBC's ethical reputation into question. There is thus a need to shore up PBC's reputation for probity and sound business ethics.

Darius asks you to advise him about what he should say in his presentation to Jessica and her colleagues next week and how he might structure his main points.

Given that Jessica has asked Darius to talk about 'the people management challenges that he would expect to encounter during his first year in the job and how he would set about tackling them', what would you suggest Darius says about each of the following issues:

1) Restructuring and cost-cutting

2) Human resource development and knowledge management matters

3) Promoting greater innovation, flexibility and agility

4) Business ethics

In each case, take care to provide a good justification for your recommendations, drawing on published research and examples where possible.

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. The Chartered Institute of Personnel and Development (CIPD) recently commissioned some research about workplace design in collaboration with the British Institute of Facilities Management (BIFM). The report concluded that while it was possible to improve productivity rapidly through the adoption of better workplace design principles, in many cases workers have been found to have 'rejected' new 'toxic' office designs and lay-outs that have cost their employers a great deal of money to introduce. There is particular hostility to unallocated desks, to big open-plan offices and to 'funky interior decoration' which adds nothing at all from the perspective of most employees.

    i.   In what ways might your own workplace be re-designed in such a way as to improve productivity? What adjustments would you recommend were made and why?

    AND

    ii. What core management principles should be adopted by organisations looking at re-designing their workplaces to better meet future needs?

OR

2. In recent years a great deal of research has been carried out in the field of comparative HRM and HRD. This has established that while in certain areas of people management activity a degree of convergence can be observed around the world, for the most part national workplace cultures remain diverse and resistant to any form of internationalisation. Expectations of management style and employee attitudes towards their work thus remain very different across the globe.

    i.   Drawing on examples, explain why despite 60 years in which business has become increasingly globalised, there has been so little apparent convergence of workplace cultures.

    AND

    ii.   What significance do these research findings have for:

    a) Organisations which operate internationally, employing people in a number of countries?

    b) Larger organisations based in the UK which do not operate internationally?

B

3. For several decades occupational psychologists have carried out studies which demonstrate that the motivational power of money in workplaces is limited. In fact, as Adrian Furnham (2014) argues 'where money has motivational power it is nearly always negative'. It follows that the capacity of a performance-based pay scheme to de-motivate people is greater than its capacity to motivate people positively. Organisations looking to increase employee motivation are thus well-advised to focus on other approaches.

   i. Explain why employers might expect to de-motivate as many people, if not more, than they motivate when they rely on payment as their principal motivational tool.

   AND

   ii. Drawing on research, what alternatives would you suggest were used in place of or alongside financial rewards in order to affect improvements in motivation among an organisations' employees? Justify your answer.

OR

4. Your manager returns from a conference having heard a speaker talk about the importance of 'employee engagement' for organisations and suggesting that it is the job of all good HRM departments to promote its development in organisations. She asks you to:

   i. Advise her on how you might go about measuring the current level of employee engagement in your organisation

   AND

   ii. To come forward with a business case for investing some funds in this activity.

   What advice would you give and why?

C

5. Assume that you work for a fast-growing organisation which was established quite recently. In order to facilitate further rapid expansion it is planned to take on 30 new graduate recruits this year with the aim of putting them on an 'accelerated leadership development track' which will enable them to take on branch leadership roles in 18 months' time. A big recruitment campaign is planned which it is hoped will attract many thousands of potential candidates. Selection decisions will then be made using tools which will aim to establish serious leadership potential.

   As a first step you are asked to draw up a list of the key personality traits which are shared by successful senior leaders and which less successful or non-leaders do not share to the same extent. Which traits would you choose and why?

OR

6. In recent decades contingency theories of leadership have become both fashionable and influential, the idea being that different leadership styles are appropriate depending on the type of situation that an organisation finds itself in. The most widely-quoted study relating to these theories is that of Clarke and Pratt (1985) in which the authors argued in favour of a 'lemon squeezer' style of leadership for some organisations.

   i. What are the major features of the 'lemon squeezer' style of leadership?

   AND

   ii. When might such an approach be required by an organisation? Justify your answer.

   AND

   iii. What are the likely consequences for HRM **and** HRD policy when a figure who has such a style is appointed to lead an organisation?

D

7. It is common for people who have a progressive approach to management to argue that the formal use of discipline has no place in the management of performance in the contemporary workplace. They see it as comprising a negative approach to performance management which can never bring about serious improvement in a person's capacity to do their job. Positive encouragement, timely HRD interventions and reward-based approaches are far more effective in practice. Moreover, once someone is subjected to formal disciplinary procedures, trust tends to break down making it very difficult, if not impossible, to lift an individuals' performance significantly.

    Drawing on your own experience and that of your organisation, explain how far you agree with this point of view and why.

OR

8. In recent decades the term 'employer of choice' has been widely used in HRM to indicate an organisation which people commonly choose to work for when given the opportunity. More recently some consultants have argued that to be truly distinctive in the labour market organisations need to go further and aspire to become 'irresistible employers'.

    i.   To what extent would you characterise your organisation as either 'an employer of choice' or an 'irresistible employer'? Justify your answer.

    AND

    ii. Drawing on examples, what does an organisation need to offer would-be employees if it is to become truly 'irresistible'?

E

9. Under the terms of the Equality Act, public sector organisations in the UK are placed under a legal duty to promote equality of opportunity and to take proactive steps to eliminate unfair discrimination. However, prior to this it has long been the case that public sector organisations embraced the principles of equality and diversity, pioneering HRM and HRD initiatives that are aimed at their promotion.

   i.   Why are there more public sector organisations which are genuinely committed to equality and diversity than is the case in the private sector?

   AND

   ii. What are the major advantages and disadvantages for HR managers and employees working in the public sector?

OR

10. One of the most interesting issues for those who specialise in studying HRM in small and medium-sized enterprises (SMEs) involves finding an explanation for an apparent contradiction. On the one hand we know that pay in SMEs is typically well below that for equivalent roles in larger organisations and that career development opportunities are fewer. Jobs also tend to be less secure and staff retention rates are poor. Yet all the research evidence reports that employees in SMEs are, on average, a great deal more satisfied with their jobs than those who work in larger organisations.

   Why do you think this might be? Justify your answer.

                                                                        END OF EXAM PAPER

Leading, Managing and Developing People

EXAMINER'S REPORT

May 2016

Introduction

A total of 336 candidates sat the Leading, Managing and Developing People exam in May. As was the case in January the overall pass rate was 64% which is somewhat lower than that achieved by most recent cohorts. Section A seemed to present the biggest challenge on this occasion which many seemed insufficiently prepared for. Too often candidates wrote answers that were pitched at too general a level, finding it difficult to put forward and then to justify sound, practical responses to the challenges presented in the case. The marks scored for Section B were much more in line with the norm. As a result, the number of merits and distinctions awarded on this occasion was disappointing.

The final breakdown of marks was as follows:

May 2016		
Grade	**Number**	**Percentage of total** (rounded up)
Distinction	5	1
Merit	36	11
Pass	175	52
Marginal Fail	43	13
Fail	77	23
Total	**336**	**100**

The papers were marked by Andrew Hambler, Graham Perkins, Claire Roberts, Julie Beardwell, Penny Graham, Cecilia Ellis, John Mitchell, Catherine Jones and myself.

Section A

The questions were intended to test knowledge and understanding of:

Learning outcome: 4 - Understand and contribute to the promotion of flexible working and effective change management in organisations

Learning outcome: 7 - Promote professionalism and an ethical approach to HRM and HRD practice in organisations.

Question 1

While some candidates wrote very impressive answers here, many marks were lost by candidates who failed to make any serious practical suggestions, or when they did, failed to provide adequate justification. In particular, a majority simply avoided confronting and engaging with the need to reduce headcount. Some mentioned the possibility of redundancies in passing, but far too few appreciated that a labour-intensive organisation like this one is not going to be able to cut costs by 'at least 25%' without losing some people, even if via voluntary severance. Of course other measures will make a contribution (consolidating on one site, relocating employees, flattening the hierarchy etc), but we were astonished to read answer after answer that simply failed make any mention of the likely need for job losses and the knock-on consequences. Indeed, in many cases candidates rather blithely stated that their proposals would *increase* costs for the foreseeable future – a rather naïve and unimpressive response to a question on cost-cutting. There was therefore a serious lack of sufficient business awareness on display here. Moreover, too many candidates wrote almost exclusively about theory, most commonly the Lewin and Jotter models of change management. We would not in any way wish to discourage candidates from demonstrating their knowledge and understanding of these models, but it must not be at the expense of practical advice of the kind that HR managers are required to give and implement. Far too few candidates considered the need to consult and inform while making cuts to costs or to take care to maintain morale among survivors. Very few gave sufficient consideration either to the legal aspects or the need to manage the process ethically. Plenty mentioned the likelihood of resistance, but too few presented any plan to address this.

Question 2

As always when we ask questions that relate to HRD, a fair number of candidates write instead about HRM generally and lose marks in the process. This happens every time and I do not know what more I can do but remind people that HRD is not the same as HRM. It is concerned quite specifically with learning and developmental matters. A lot of answers here were primarily focused on issues such as recruitment, succession planning, performance management and reward management. It was apparent that many of these answers were pre-prepared, being examples of candidates writing what they wanted to about the case rather than addressing the question on the exam paper. In this case there is clearly a great deal of HRD intervention necessary to support the restructuring and the development of much more functionally flexible teams. If advisors are to become less specialised and better able to advise clients across different 'disciplines', considerable investment in training will be required. This will be needed early on in the restructuring process so as to allow a smooth transition into the new structure. HRD interventions will need to be designed with care, taking account of learning preferences while also ensuring good value for money. Some candidates simply ignored the issue of knowledge management altogether. The strongest appreciated that because the relevant expertise is already available, the key challenge will be persuading

people to share it. The need thus is to create opportunities for employees to learn from one another. Formal training events should be supplemented with social and team-building activities of various kinds to encourage and facilitate the spread of tacit knowledge. In particular, there is a strong case for interventions which raise awareness of ethical questions in this context.

Question 3

Again here, we read plenty of answers that failed to focus in sufficiently directly or fully on the subject of the question. In other words, agility, flexibility and innovation were either partially or pretty fully avoided. There were a lot of very general observations made instead. Yet all we were looking for were sensible, practical suggestions of a very straight forward nature. Organisational agility, according to Linda Holbeche, is best achieved through the management of psychological contracts (ie: expectations), by involving employees in the development of greater flexibility and by the promotion of cultural change which is driven as much from lower down in an organisation as it is at the top. Maximising autonomy in this organisation, by for example allowing expenditure up to a certain level without the need to gain permission from supervisors, will not only help to retain strong performers and make them more responsive to their customers. It will also encourage innovation and creativity. There was also scope here for candidates to develop plans based on other forms of flexibility such as homeworking, annual hours and possibly subcontracting arrangements too. Monies can be saved if people are only employed as and when required so that overstaffing is avoided. Hence it would be wise to subcontract some of the project work which is envisaged around the development of new IT systems and products.

Question 4

As a rule candidates were a lot more comfortable and a great deal more successful in their answers to part 4. Again there were some very general answers that avoided making or justifying practical responses, but most picked up marks at this stage. We read plenty of thoughtful and well-informed answers that successfully blended theory and practice, also in some cases illustrating points with good examples from the financial services industry. The most commonly discussed proposals related to codes of ethics, training interventions, Corporate Social Responsibility initiatives, whistleblowing policies and incentives of various kinds. Where these were well explained and effectively justified plenty of marks were earned.

Section B

Question A1

Learning outcome: 1

This question was attempted by a majority of candidates, many of whom answered it reasonably well.
Answers to part 1 varied considerably depending on the industry the candidate worked in and its current design. The stronger candidates covered a good range of points relating to comfort, flexibility, equity and physical attractiveness, while also discussing particular organisation-specific issues around effective communication and day-to-day practicalities. It was interesting to read about the advantages and disadvantages of hot-desking and of the inability to maintain confidentiality in large open-plan office settings.

There was some tendency to focus exclusively on the needs of the HR department (not what the question asked for) and, more disappointingly, a strong inclination to describe what had happened in the past rather than to make recommendations for the future. The very best answers gave conspicuous consideration to future as well as current requirements when developing their arguments. Stronger candidates justified their proposals with reference to engagement, absence, unwanted staff turnover and the need to give visiting clients and would-be clients a favourable impression. Weaker candidates restricted themselves to convenience and staff preferences. Cost considerations were also properly addressed in the stronger answers.

Some answers to part 2 were on the brief side, while others failed to justify the points made. The CIPD/BIFM report referenced in the question made a strong case for extensive employee involvement when decisions are being made about re-design of workplaces and the need to take this seriously. Meaningful consultation thus needs to take place and should be acted upon. The other core principle is to plan for the organisation's future when designing its premises and not just for its present. This involves giving consideration to likely future employee needs/numbers, to technological developments and to patterns of organisational development more generally. The big conclusion was that organisational needs vary very considerably and that one-size-fits-all approaches rooted in todays' fashions represent a bad investment decision. Candidates were generally better on involvement and communication than they were on future planning issues.

Question A2

Learning outcome: 1

Questions on aspects of international HRM have proved popular choices in recent LM&DP exams and have often been answered well. While relatively few candidates

attempted this, those that did tended to do pretty well. It was only in the final part that people struggled a bit. The question focused on underpinning research in the field, requiring candidates looking to score well to draw on the seminal studies of Hall & Hall, Hofstede, GLOBE etc to discuss cultural diversity and its deep roots. On key dimensions such as uncertainty avoidance, long-term orientation and power distance, workplace cultures reflect society generally and its traditions. There is also very considerable institutional divergence, and the strongest candidates wrote about that equally thoughtfully. Training systems, employment law regimes, welfare arrangements and the position / role of trade unions vary greatly from country to country. These variances underpin those in the cultural domain and vice versa. Over time it may be the case that increasing levels of international communication and exchange diminish the differences that researchers currently observe, but as yet this shows few signs of happening.

For international organisations the significance is very clear. It renders implausible any attempt to impose overseas-based workplace cultures wholesale into other counties across a multi-national groups' activities. The principle of 'think global, act local' must be followed whereby an international strategy is adopted, but then adapted operationally in each location so that people are managed according to their expectations and within the grain of local cultures.

For nationally-based organisations there is also a lot to take account of here because of large-scale and increasing rates of inward migration from overseas. The upshot is an increasingly diverse home-based labour market and a more international employee body. The fact that cultural expectations vary so spectacularly needs to be understood by managers and relevant training provided for staff of all nationalities. Making international teams (especially senior management ones) work functionally is another major challenge.

Question B3

Learning outcome: 2

This question, answered by a majority of candidates, focused on one of the most significant and long lasting debates in motivation theory. It remains contentious because so many of the claims made by occupational psychologists are both counter-intuitive and contrary to the underpinning principles of micro-economics. Part 1 was generally answered rather less effectively than part 2. In fact, in a lot of cases, candidates failed to address part 1 directly at all, saying nothing about the problems associated with de-motivating performance-based payment systems. Stronger answers drew effectively on theories of intrinsic and extrinsic motivation that were developed in the mid twentieth century. The core proposition here is that extrinsic motivation is temporary in its effect and does not change our feelings. It does not make us feel any more fulfilled. The prospect of earning more money (an extrinsic motivator) will make us change our behaviour, but it will not cause us to develop a passion for doing a job well in the way

that intrinsic motivation can. Many candidates also drew on Herzberg's theories of hygiene factors and motivators, the claim being that the absence of fair reward de-motivates, while its presence rapidly becomes an expected feature of a job with very limited capacity to improve motivation levels. Performance-related pay tends to de-motivate more people than it motivates because most workers perceive their performance to be of greater value than their managers do. Strong and average performers thus get de-motivated when they are denied maximum pay-outs reserved only for excellent performance, as defined by managers. This point was made in various different forms, sometimes in the context of equity and expectancy theories. Others focused on teams and the power of PRP to undermine them.

Part two was more straightforward. The major alternative approaches are those which promote intrinsic motivation or at least increase the likelihood that it will be developed by creating favourable conditions. In terms of management intervention the key tools are designing meaningful jobs, giving people as much autonomy as possible to determine how they do their jobs and plenty of developmental opportunities. Involvement in decision-making that affects them was also often mentioned in this context alongside strengths-based philosophies of performance management which reward people by giving them more of the things they do well and less of those they find harder and less fulfilling.

Question B4

Learning outcome: 2

We were surprised at how few candidates attempted this question as it was entirely straightforward and focused on the subject of employee engagement which candidates are usually keen to write about. Those who did attempt it managed to produce some solid and effective answers, demonstrating their knowledge of relevant research in the process.

The most common tools that are used to measure employee engagement are questionnaire based, usually now circulated and analysed electronically. Most ask employees about the extent to which their needs are met at work, the extent to which they regularly experience relevant feelings such as vigour, absorption and dedication or the level of feedback / attention they get from managers. The survey produced by the Gallup organisation is the best known and was cited in many answers. Other survey tools are more direct, simply asking people whether or not they demonstrate 'discretionary effort.' All these are possibilities either as part of a bespoke questionnaire or as part of a wider annual staff satisfaction type survey. Focus groups might represent an alternative, as might interview-based approaches despite them being more costly to organise. Either way the results can be recorded and further surveys of a similar ilk carried out to regularly at intervals to establish whether or not progress is being made

over time. Data gathered about turnover intention, absence and performance may also have some role to play.

The business case is very much based on robust research which shows a clear linkage between the extent of employee engagement and positive outcomes for organisations such as reduced absenteeism, improved customer service, higher levels of staff retention and greater commitment. The Macleod Report presents an excellent summary and was frequently referenced in answers to this question. There is also an argument to be made around the idea that 'what gets measured gets attention'. In other words unless we measure, track and benchmark our performance on employee engagement, the concept will not be taken so seriously in the organisation.

Question C5

Learning outcome: 3

A very high proportion of candidates attempted this question with very mixed results. There was room for some flexibility here as we were not looking for a prescribed list and there was also room for some originality deriving from the situation described (rapid growth etc) provided this was justified. In fact very few made any attempt to consider the particular context set out in the question. What mattered most was that a credible selection of personality traits was identified and their selection justified. The published research on this subject is very extensive. It identifies five major traits: namely, intelligence, self-confidence, determination/ambition, integrity and sociability. Other more controversial theorists advocate less widely-accepted traits such as emotional intelligence and attributes that have enough in common with traits to be acceptable for our purposes here. That would include personal attributes such as charm, resilience, coolness under pressure, judgement and even wisdom.

There were a lot of disappointing answers which listed all kinds of attributes and abilities that could not, even by stretching the definition as far as we could, comprise 'traits'. A lot of answers focused on experience, others on attributes such as 'the ability to motivate' which may derive from personality or character but is not in itself a trait.

Question C6

Learning outcome: 3

When marking CIPD LM&DP papers in the past I have been struck by how frequently the 'lemon squeezer' style of leadership is referenced both in answers to the case study questions and to those on leadership more generally. This was why a question on such a specific leadership style was included. In retrospect this was probably a mistake as the question appealed to relatively few candidates. However, those who did answer it tended to do very well.

Clarke and Pratt defined the lemon squeezer style of leadership as one which combines toughness in its approach to cost-cutting and financial control with innovation. Such leaders save money, but also look to increase productivity and launch new products and services wherever possible by getting the best out of people in terms of both effort and creativity. According to the model lemon squeezing leadership is most appropriate when organisations are in difficulty and are fighting to survive in a competitive marketplace. Survival is the first priority - hence the need for tight financial control and cost cutting - but securing a longer-term future is also important, and that comes from innovation.

The third part of this question was challenging because it is not derived from any published commentary or study. The answer thus had to be deduced. Strong candidates were nonetheless able to argue that lemon squeezing leaders are associated with downsizing, wage freezes / below inflation rises, limited staffing and development budgets, uncompetitive terms and conditions of employment, opposition to trade unions and work intensification more generally. In addition, however, they wish to encourage creativity and innovation and so are happy to delegate, to give people autonomy within budgetary constraints and will be flexible financially in order to retain key talent in the organisation. Strict financial control, is thus combined with a more progressive cultural agenda.

Question D7

Learning outcome: 5

This was a question that attracted a lot of candidates, many of whom were able to draw effectively on their personal experience to provide sound, well-argued answers. Views differed very markedly on the substance, but what mattered as far as marking was concerned was that a coherent and thoughtful answer was presented which addressed the question directly and justified its main arguments. Most disagreed with the sentiments expressed here to some extent, putting the case in favour of the use/threat of discipline in the management of unauthorised absence where it has a legitimate role to play. It is also necessary for organisations to be able to dismiss poor performers lawfully from time to time after giving them fair warning etc. It was important that students appreciated that the question related to issues of poor work performance specifically and not to misconduct. The latter is a different kettle of fish entirely in which disciplinary policies must play a central role. The question also specified the need to draw on experience, so that had to happen for an answer to pass.

Question D8

Learning outcome: 5

This was an uncomplicated question which a large proportion of candidates attempted and, in the main, did well.

Employers of choice are best defined as organisations in a particular region or industry who are able to offer their employees an experience and/or terms and conditions which is both superior to and differentiated from that offered by their competitors. This is often then communicated using the tools of employer branding in the form of logos, slogans and other messaging that conveys the essence of the employee value proposition (EVP) on offer. Employers of choice attract and retain strong performers and are hence more able to maintain competitive advantage than others. These sorts of features were included in most answers. Some focused a bit too heavily on terms and conditions, but most were more broadly focused and well-informed. It was interesting in this context to read some quite severe critiques of organisations that were not considered by candidates to be anywhere near to being 'employers of choice'.

Stronger answers to part two also referred to the 'deal' on offer to employees, but went further too. Reference was thus made to an outstanding package of terms and conditions of employment, including rewards, and also to HR policies which promote the personal development in all its forms. A pleasant working environment is another feature, outstanding facilities and equipment and a culture which is democratic, involving and which gives employees plenty of autonomy. These are the features that are associated with the major tech companies of Silicon Valley - Google, Facebook etc - and which are commonly associated with the notion of irresistibility in the employment context. Outstanding answers also introduced some theory, considering human capital, psychological contracts and the resource-based thinking in their discussions.

Question E9

Learning outcome: 6

This question was attempted by a good proportion of candidates, most of whom did well on part 1. Part 2 answers were less impressive, but in many cases this was simply because it was often the last section addressed as time was running out.

Principles of equality and diversity are deeply embedded in many public sector organisations for several reasons. First, there is still a degree of adherence to the 'model employer' principles that used to characterise public sector employment in past decades. Historically this meant a commitment to 'fairness' in a broad sense including features such as:

- a commitment to the principles of fairness, openness, transparency and equality of status on the part of public sector managers;

- active encouragement of trade union membership, collective bargaining and consultation;

- 'constitutional management' with three-tier grievance and disciplinary procedures and the application of standardised rules wherever possible rather than judgement-led decision-making on HR matters;

- adherence to nationally-negotiated pay, terms and conditions established by Whitley Councils and similar bodies;

- good pensions, reasonable pay, good holiday entitlements, little overtime, flexible working opportunities and internal career progression opportunities;

- a job-based payment system underpinned by job evaluation;

- openness and transparency about the reasons for decisions and about matters such as how much everyone is paid;

- open recruitment and selection, obliging internal and external candidates to compete with one another for preferment;

- more generally, a paternalist approach to the management of people.

Secondly, the commitment can be explained by the presence in much of the public sector of relatively strong trade unions and a workforce which is characterised by a high proportion of female staff and workers from ethnic minorities. The commitment to equality and diversity is thus, in part, a response to employee demand. Thirdly there is a good deal more media scrutiny of public sector organisations as well as parliamentary scrutiny. Fewer compromises are thus made and greater care is taken to adhere to principles which are widely considered to be appropriate.

The advantages for employees are greater job security and confidence that they will be treated fairly and in less of an arbitrary manner than is sometimes true of private sector organisations. The glass ceiling is still very much there, but it is a bit more penetrable. There are also generous maternity and carer-oriented benefits available. From an HRM point of view the advantages relate primarily to the capacity to recruit and retain effectively, including internationally and a reduced incidence of active disengagement rooted in unfair treatment of minority and less politically powerful groups.

Question E10

Learning outcome: 6

This was another question that candidates appeared to enjoy answering. Many drew on personal experience and observation. Plenty of original points were made and examples given by way of justification.

Various explanations have been put forward for the apparent conundrum set out in the question. The most convincing ones acknowledge that there are considerable advantages for employees who find that they 'fit in' with the culture in an SME and that these tend to outweigh the obvious disadvantages. Other common explanations are as follows:

- informality means that hours are often very flexible,

- SMEs are often embedded in a local community in which staff live, so commuting times are short and social ties strong,

- face-to-face management means that strong feelings of loyalty grow up between managers and managed.

- status differentials are less obvious, creating a strong team atmosphere.

There were, however, no definitively correct answers here, as so much depends on the sector and the particular management style operated in these enterprises. There was thus plenty of room here for candidates to develop original arguments. The more compelling and well-justified these were, the higher the mark awarded.

Conclusion

As always the range of marks achieved on this paper was very varied and it is difficult to reach general conclusions. A lot of candidates seemed to struggle with the case study, often I think because they had prepared to answer expected questions that differed from those on the paper. When this happens candidates are well-advised to refrain from writing down what they have prepared in any event. A somewhat hesitant and poorly-framed answer which directly addresses the question will always score more highly than one which is full and fluent, but off target.

Section B, by contrast was generally answered pretty well. Again there are always candidates who appear not to take sufficient care to read a question and others who write good answers to one part of a two-part question, while being much less convincing on the other. These are issues that can usefully be addressed in revision and exam preparation sessions with tutors.

Stephen Taylor
Chief Examiner