

Chartered Institute of Personnel and Development

Advanced Level Qualification
**Leading, Managing and Developing
People**
September 2020

Date: 24 September 2020

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.

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.

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

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.

Paul has worked in call centres for the last ten years. Starting as a Customer Service Advisor and Sales Agent, he was promoted to a series of team leader roles which he performed effectively. He has now been promoted to a senior management role for the first time, taking responsibility for day-to-day management of a technically sophisticated operation employing 80 people working in an insurance company's call centre.

Paul's new teams are responsible for handling all telephone-based interactions with customers of an established company's travel insurance division. These relate to specialist holiday and business travel insurance products principally designed for people who find it hard to purchase travel insurance from other suppliers due either to age or disability, or due to the fact that they plan to travel to high-risk locations. Companies operating in more challenging overseas locations also provide a significant slice of the division's business.

The staff are all employed on full-time, permanent contracts, working either five eight-hour daytime shifts each week, or three 12-hour night shifts. It is a 24/7 operation serving customers all over the world, with lines busier at some periods than at others. All staff are stationed across two floors of the company's offices on an industrial estate on the outskirts of a large city in the UK. They are divided into five teams of advisors. Four deal with inbound calls relating respectively to claims, complaints, routine sales enquiries and enquiries from existing customers about their products. A fifth, smaller team is responsible for generating new business through outbound sales calls targeting customers and companies and dealing with more complex enquiries requiring a more detailed response passed on by the other teams.

Common to most call centre operations Paul's division is continually monitored technologically, and is required to meet a series of daily, weekly and monthly targets. Paul's predecessor achieved considerable success in meeting a number of these targets, consequently the division scores well on various measures such as; the speed at which calls are answered, the number of callers who hang up before having their enquiry resolved, sales targets met, average length of calls and number of calls handled per hour. The team is therefore, on the whole, productive and efficient.

However, in the field of Human Resource Management, performance has been declining in recent months and is now well below industry benchmark measures. Here targets are not being met consistently. Absence rates are on the up, having reached 15% for the first time ever. Staff turnover rates have increased considerably from 15% a year ago to the current 25%. It is also becoming more costly and time consuming to recruit new agents, meanwhile staff engagement levels, as measured by survey derived metrics, are also in serious decline.

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

For several years now the division's management have followed a so-called 'sacrificial HR strategy' in order to achieve a high level of quality in terms of customer satisfaction combined with high levels of productivity. This has involved hiring largely younger recruits who are enthusiastic about customer service and are happy to embrace a sales culture in the expectation that most will leave after around eighteen months due either to boredom, an inability to comfortably cope with the pace of the work, or both. Exit interviews also show that a lack of career development and personal development opportunities are a leading cause of this unwanted staff turnover. The strategy has worked well because there have, in the past, always been plenty of suitable potential recruits available who can be trained up quickly when jobs are advertised. Regularly recruiting new employees has thus been judged to be less expensive than investing in people in a bid to maintain high levels of staff retention and engagement.

Nowadays this is increasingly unreliable. Unemployment levels in the city are very low, the number of school leavers is falling and there is increasing competition for good staff from other call centre operations that have opened in the vicinity. Moreover, some longer serving staff in the division Paul is now managing have left in order to take up home-based customer service roles in other organisations using software and headsets which are connected via their home computers. These jobs are still monitored in the same way and require their holders to meet daily targets, but do not require them to commute into the city on a daily basis or work the same shift patterns.

As a result of these developing 'talent shortages' and high absence rates, seats in the call centre are increasingly empty at busy times - particularly weekday mornings and afternoons between 3.00 and 6p.m. As a result, it is becoming harder to meet customer expectations in terms of the time taken to answer calls and to resolve issues rapidly. All major customer feedback metrics are now starting to decline markedly.

PLEASE TURN OVER

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

You have been employed as a consultant to advise Paul on how he might go about improving the performance of his division in the human resource management field. He asks you to write a briefing paper for him making and justifying recommendations as to how he can improve his division's performance in the following four areas:

1. Absence management.
2. Employee engagement.
3. Employee retention.
4. Flexible working.

You are asked to recommend courses of action which will be affordable in a very competitive and resource-constrained industry and which will maintain the efficiency with which the operation currently runs. You are also asked to draw on your understanding of relevant theory and published research findings when justifying your recommendations.

It is recommended that you spend equal time addressing each of these four areas.

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

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 for each.

A

1. In 2019 the Chartered Institute of Personnel and Development (CIPD) commissioned a major research study into the way that organisations handle difficult employee relations issues. The published report entitled 'Managing Conflict in the Modern Workplace' (2020) is critical of the way that HR managers tend to deal with instances of conflict between managers and individual employees. It is very common for these to be dealt with in an ad hoc manner, reacting to each individual case rather than building more collaborative approaches to work designed to pre-empt such conflict. The norm is to take a compliance-based approach and to implement formal performance management procedures to deal with immediate problems. These do nothing to bring about better employee relations in the longer term.

- i. To what extent is the management of conflict between employees and their managers in your organisation reactive and compliance-based? Why is this the case?

AND

- ii. Drawing on examples or your own observations explain what steps could usefully be taken in your organisation to improve working relationships between managers and employees. Justify your answer.

OR

2. You receive the following e-mail from a senior manager in your organisation:

'Hello. I am at a conference and I have just heard a really interesting presentation about the successes enjoyed by organisations who adopt something called "high performance work systems". The speaker said that these have been adopted by many of the world's most successful companies.

Could you send me a short paper setting out what is meant by the term "high performance work systems", explaining which kinds of practices are involved? I would also be grateful if you could give me your assessment of how far in practice we in our organisation currently meet the requirements of this approach.'

How would you respond?

PLEASE TURN OVER

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

B

3. In his classic work first published in the 1970s, John Adair argued that successful leadership involves three distinct types of activity, all of which are equally significant:

- Defining the task that a group of people are to achieve and ensuring that the task is accomplished effectively and efficiently.
 - Motivating individual team members.
 - Maintaining healthy relationships among the group charged with achieving the task.
- i. Drawing on your reading, and/or on personal observation, explain how helpful you find Adair's model as a way of defining what effective leadership involves in practice.

AND

- ii. Using Adair's model, critically reflect on how far a leader with whom you have worked showed strength or weakness in each of these three areas. You may choose any individual you have observed undertaking a leadership role.

OR

4. Your organisation wishes to invest in you with a view to you taking on a senior HR leadership role in a few years' time. As a first step, you have been asked to undertake a training need analysis which will then form the basis of a developmental programme aimed at improving your skills and equipping you to undertake a significant leadership role in three years' time.

What **FIVE** distinct elements would you include and why? In each case explain how you might in practice be assisted by your organisation to develop relevant leadership competencies to the required standard.

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

C

5. You start working for a small, growing organisation that has few formal HR-related policies or systems. You are the first qualified HR professional to be employed. People management is currently implemented in an ad hoc and unstructured way. No formal evaluation is carried out to assess how far HRM and HRD activity is accomplished effectively.

One of the first tasks you are asked to complete is an audit of the organisation's practices in the area of employee wellbeing – an area where senior managers are concerned that the organisation is under performing. You may assume that the organisation operates in any industry you choose.

- i. What **FOUR** distinct wellbeing objectives would you identify as the basis of your initial audit? Justify your answer.

AND

- ii. What methods would you use to establish how far in practice these wellbeing objectives are being met in your organisation? Justify your choices.

OR

6. Formal diversity networks have become more common in larger organisations over recent years. These are associations of people who work in the same organisation or profession and who share a characteristic that has traditionally been associated with exclusion from senior positions and from good career development opportunities. Women's networks are the most common, but it is now usual for groups focused on age, race or ethnicity, sexuality and disability to be formed and resourced by organisations seeking to improve their record on diversity and inclusion. The extent to which the presence of diversity networks improve the position and prospects of their members is, however, yet to be demonstrated in the relevant published research.

- i. Set out a business case for organisations to provide funding to encourage the establishment and funding of diversity networks. Justify your answer.

AND

- ii. Why is there so little evidence available to demonstrate with confidence that diversity networks meet their objectives in practice?

PLEASE TURN OVER

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

D

7. Published research into the processes by which organisations identify and develop talent demonstrates that it is much harder to achieve this in an international organisation compared to an organisation based in one country. As a result, people based in an international organisation's headquarters tend to be favoured, while talented individuals based overseas are denied the same kinds of developmental opportunities.

- i. Set out **ONE** distinct practical step that can be taken to broaden talent management pools in multi-national organisations. Justify your answer.

AND

- ii. What business case would you advance in favour of improving talent management processes in international organisations?

OR

8. A considerably higher proportion of employees are employed in small businesses than in the past with a good proportion of this growth having occurred since 2010. This period has coincided with a period of stagnation as far as national productivity is concerned and some analysts, including CIPD researchers, argue that the two trends may well be linked. Small businesses are often less productive than they could be due to the lack of availability of HR expertise for them to draw on. Lack of time, resources and know-how mean that small firms invest less in their people than equivalent larger firms and are less productive as a result. Their people management systems are also less effective, resulting in higher levels of absence, staff turnover and employment tribunal claims.

- i. Given that it would be impractical for most small companies to employ full-time HR officers, what alternative solutions might be developed in order to help improve their productivity?

AND

- ii. Drawing on your reading and personal experience discuss how **TWO** distinct HR-related initiatives might assist a small business to achieve greater productivity. Justify your answer.

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

E

9. Debates about the merits and demerits of performance-related payment (PRP) and incentive payment systems are heavily contested on all kinds of different grounds. The extent to which they can be ethical or unethical in nature is one of these. People who are hostile to systems of reward that contain a significant performance-related element often argue that they create perverse incentives which push employees into acting unethically. At the same time, they also make work overly stressful and therefore potentially damaging to health and wellbeing. These points are often made in connection with commission arrangements for salespeople, but they are frequently also made more generally.
- i. Explain how introducing PRP and incentive payments can sometimes compromise an employer from an ethical perspective? Justify your answer with at least one illustrative example.

AND

- ii. What steps would you recommend were taken by an organisation looking to introduce a new incentive scheme to ensure that it operates according to ethical principles.

OR

10. Concern about climate change and large-scale pollution is currently increasing globally. In response organisations are investing more time and resources on taking steps to make their operations more environmentally sustainable. You are asked to make a 15-minute presentation on the ways in which the HR function can contribute towards increasing levels of environmental sustainability in organisations. Your brief requires you to provide examples to illustrate your more general points.

Provide an outline of your presentation together with a justification for your chosen content.

END OF EXAMINATION

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

Introduction

With no diet of exams in May 2020 the September cohort, numbering 587 was by some distance the largest we have ever had sitting the Leading, Managing and Developing People exam. Exams were typed and then submitted and marked online. The standard of answers varied greatly. The overall pass rate of 80% was slightly lower than that achieved by many recent cohorts, but there were more merits and distinctions awarded than is typically the case. We thus had the pleasure of marking an unusually large number of outstanding answers.

The final breakdown of marks was as follows:

January 2020		
Grade	Number	Percentage of total
Distinction	37	6
Merit	163	28
Pass	268	46
Marginal Fail	9	2
Fail	110	18
Total	587	100

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

SECTION A

Learning outcomes:

LO2: Evaluate major theories relating to motivation, commitment and engagement at work and how these are put into practice by organisations.

LO4: Contribute to the promotion of flexible working and effective change management in organisations.

The answers to Section A were hugely varied and of variable quality. A lot of answers were rather brief, sometimes not much longer than answers to a Section B question and consisted of limited analysis conveyed in the form of bullet points. We would urge candidates to remember that their answers to Section A comprise a half of their total mark and that there is everything to be gained by spending roughly half their time answering it in some depth.

We also read a number of Section A answers which did not refer very much to the case study scenario. Candidates wrote quite generic answers which demonstrated understanding of absence management, employee retention etc, but failed to reflect on the particular context of the call centre industry or on the circumstances of the particular organisation discussed in the case study.

That said, there were of course, many excellent and extensive analyses presented which demonstrated knowledge of the HR issues raised in the case as well as extensive research about the industry concerned and the particular challenges it faces in HR terms.

Absence management is not an area of HR management that is covered in great detail in the standards for 7LMP, so we did not expect that candidates would have in-depth knowledge of published research and major debates in the field. That said, we would expect that they be familiar with research on performance management more generally and they would themselves have some practical experience of attendance management issues. Stronger answers reflected on a range of different types of initiative that are commonly used by organisations when absence levels become high or where an absence culture is allowed to develop as seems to be happening in this organisation. On the one hand there are the core approaches with a punitive character (monitoring, trigger points, pay cuts, return-to-work interviews and the potential for dismissal on grounds of capability). On the other are a wider range of interventions that research studies suggest are more effective at attaining longer-term reductions in absence. These include the use of reward schemes, wellbeing initiatives, selection methods aimed at discouraging applications from people who are prone to take absence and initiatives that seek to improve job quality over a longer period of time.

Employee engagement, by contrast, forms a significant element in the standards for 7LMP and is a field in which candidates can be expected to have some specialist knowledge, including major published research findings. This was strongly reflected in the stronger answers which contained reference to leading studies and models. There was discussion of employee involvement and initiatives aimed at increasing autonomy, and in the higher-marked answers serious reflection on how there are significant limits to the extent these can be deployed in a call centre environment where a rules-based and heavily managed approach inevitably has to be used. There is still scope for giving employees a voice – certainly at the

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

level of the team and via employee engagement surveys which can be conspicuously carried out and responded to. Staff suggestion schemes with rewards etc are also very plausible initiatives to adopt. There is also room for a degree of autonomy in terms of how work is performed in call centres – for example the selection of headsets and desks. At the level of the team this can also extend to competitive games used to encourage increased performance and work-related social events designed to increase commitment.

There was also wide scope for various arguments to be advanced in respect of staff retention. Reward management matters could be introduced here, particularly in respect of incentivising strong performance, but this was not an area most candidates discussed. Instead the focus was on personal relationships between managers, team leaders and advisors / agents, on the provision of better developmental opportunities and on helping staff to achieve a better work-life balance through the establishment of more creative and sophisticated shift patterns. The current approach to working hours in this organisation is also unnecessarily rigid. Job rotation and enlargement are worth considering too.

Finally, on flexible working, candidates developed thinking on homeworking for longer-serving employees who are fully trained and experienced in their roles. This can allow better shaping of staffing to match peaks and troughs in demand, while also potentially serving to retain valued people who might otherwise leave. Absence might also be tackled in part through such an initiative. More generally there is scope here for much more numerical and functional flexibility, and many candidates wrote thoughtfully about such initiatives.

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

SECTION B

Question A1

Learning outcome: LO1 review and critically evaluate major contemporary research and debates in the fields of HRM and HRD

This was selected by a reasonable minority of candidates, and those who chose to answer it generally did so very competently. While some answers to this question were rather descriptive in nature, most were thoughtful and effective. Candidates were often quite critical of their own organisations and advocated approaches which try to address issues of potential conflict before they accelerate and get out of hand. Lots of interesting examples were presented to illustrate key points.

The CIPD report argues that HR management in recent years has increasingly become distanced from employees and that line managers are required to make people-related decisions in isolation. They often find it difficult to do so effectively without hands-on support from HR specialists. In other words, in a bid to develop a more strategic focus, the HR function has distanced itself too much from day-to-day management problems which tend to escalate rather than being dealt with informally early on. Matters are only brought to the attention of HR managers when they have become hard to solve informally, and as a result there is a tendency to think in terms of managing people out of the organisation lawfully – hence a recourse to legally watertight procedural interventions.

The need is for a more 'evidence-based' and 'principle-focused' approach which identifies potential conflicts early on before they escalate or even before they develop in the first place. Listening to people's concerns via formal or informal channels is thus important, so that steps can be taken to head off potentially serious conflicts ahead of time. Over the longer-term there is a need to work continually on building collaborative workplace cultures in which employees' views are respected and taken into account when decisions that affect them are made. Training line managers in people-related aspects of their role and providing them with the appropriate support and mentoring is something that is often lacking in organisations. Too often people are promoted into management roles because of their technical expertise or because they are personally ambitious and not because they are naturally good at managing difficult situations that may lead to conflict. HR managers need to work more in partnership with line managers in these areas, particularly those who have recently been promoted.

Question A2

Learning outcome: LO1 review and critically evaluate major contemporary research and debates in the fields of HRM and HRD

This proved to be a popular choice and was generally answered pretty effectively.

The main reason that candidates lost marks here was a failure to demonstrate a clear and accurate understanding of what is meant by 'high performance work practices'. Some were rather vague or very brief on this central issue. There are of course several definitions of HPWS, typically involving bundles of practices, but no clear agreement about a precise list.

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

Some focus mainly on employee involvement / voice, others on HRD, a third group on motivational issues. There was thus room for different interpretations when answering the first part of this question. The key point is that they are integrated and mutually supportive and that one element does not serve to undermine another (e.g. practices which both promote job security and undermine it at the same time).

Stronger candidates cited key studies here. In order to score well it was important that candidates explained which specific practices are typically associated with HPWS and did not simply reflect in general terms about what the term means. When it came to answering the second part, much will inevitably depend on the current HR practices in use in candidates' own organisations. These sections were really interesting to mark because so often candidates wrote about partial implementation, without the full bundle. There was sometimes a tendency to describe rather than to analyse or evaluate, but in most cases a sound and credible assessment was made and justified.

Question B3

Learning outcome: LO3 debate and critically evaluate the characteristics of effective leadership and the methods used to develop leaders in organisations

This proved to be a popular choice and it was generally answered very well. There were plenty of critically oriented answers which reflected on the usefulness of Adair's model today and also what is missing from it.

Adair's model is widely used as a starting point when thinking about effective leadership. It is helpful because it includes and gives equal significance to both the task or process aspects (setting a course of direction and meeting objectives) and the relational aspects (i.e. building and maintaining productive human relationships in among team members charged with achieving the set task). It can, however, be criticised for being too simplistic, and particularly in the contemporary context, flawed in assuming that tasks can be so easily defined and teams assembled to work towards their achievement. Ambiguity, agility and unpredictability are discussed much more commonly in current leadership studies. The model also has little to say about how the three core elements, for example different leadership styles. It was important here that in order to score well candidates either cited examples from their reading or from their own observations by way of justification for their arguments.

Answers to the second part were particularly interesting to read because they focused on a specific individual and of the candidates' experience of being led by them. Some drifted a touch away from the Adair model here when discussing relative strengths and weaknesses, but most stayed focused and scored well.

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

Question B4

Learning outcome: LO3 debate and critically evaluate the characteristics of effective leadership and the methods used to develop leaders in organisations

This was a fairly straight forward question which we were surprised more did not choose to answer. There was plenty of scope here for candidates to develop original answers. These varied considerably and were often interesting to read.

What mattered from a marking perspective was that both parts of the task were carried out reasonably fully. We thus needed five distinct development needs to be identified. As the question specifies, the requirement here was to reflect on HR leadership specifically and not management development in general, and while there is of course some overlap, some candidates were not as HR-focused in their answers as they might have been.

In terms of answering Part Two, many possible approaches could form the basis of a strong answer. Formal training was one possibility, but so are on-job training, job enrichment, secondment, coaching / mentoring, action learning, formal self-reflection, regular reviews and simply being given increased responsibility in certain areas. To score well, in each case, there needed to be a justification presented and a credible explanation as to how in practice the named elements in the training needs analysis would be met.

Question C5

Learning outcome: LO5 critically discuss the aims and objectives of the HRM and HRD function in organisations and how these are met in practice.

There was scope here for different emphasis to be put on answers by different candidates as there is no widely agreed definition of precisely what wellbeing objectives involve. Most treatments of the subject in the literature focus on stress, bullying & harassment, healthy / toxic physical work environments, work-life balance, counselling and EAP programmes / helplines, promoting healthy lifestyles and provision of services such as creches and social activities for employees. Many candidates started very sensibly with the suggestion that absence data should be assessed.

Answers to Part 2 were nicely varied too. Some revolved around questionnaire-based surveys, others on focus groups, upward communication with employee representatives including trade unions, and analysis of data that has been collected (e.g.: grievances, exit interviews, absence stats, performance data). We were hoping to read some answers reflecting on the potential use of cutting-edge developments in the area of predictive analytics in this context, but these were not so common.

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

Question C6

Learning outcome: LO5 critically discuss the aims and objectives of the HRM and HRD function in organisations and how these are met in practice.

This question proved to be a popular choice and was generally answered very well. Many candidates had experience of diversity networks and were well aware of their strengths and limitations.

Diversity networks have been encouraged and established in response to years of research findings which suggest that this kind of networking in organisations is something that should improve the prospects of under-represented groups to better enhance their career prospects. They provide an opportunity for people to share knowledge and experiences (problems and solutions), to support and encourage one another and to communicate shared thinking to an organisations' management with a view to bringing about practical improvements and to provide a forum for formal developmental activities. In some cases they are involved in customer liaison activities and in projects aimed at recruiting a more diverse team when there are staffing vacancies. Funding is necessary to support websites, meetings, social events, speaker expenses etc. They are not, however, particularly costly, so it is not at all difficult to advance a sound business case for their potential to help improve diversity and inclusion without materially affecting an organisations' financial position.

Recent research evidence suggests that limited progress is due to lack of diversity at senior levels in organisations which is due to deeply engrained structural inequalities. Much stronger measures are thus required than can be achieved by diversity networks. They may play a role in bringing about longer-term improvements, but their specific contribution is often limited. They nonetheless serve a useful purpose in helping individuals to develop greater confidence and may equip some people better for future promotions, but they do not effectively address systemic issues. Senior managers also have a tendency to encourage them, but not to take them as seriously as they might.

Answers inevitably varied depending on candidates' specific knowledge and experience of diversity networks, but most were thoughtful, persuasive and cogent.

Question D7

Learning outcome: LO6 assess the contribution made by HRM and HRD specialists in different types of organisation

The research suggests that it is due to practical barriers more than any intended favouritism or strategic flaws. The bigger and more geographically dispersed an organisation's people are, the less straight forward it becomes to identify high-potential staff and the more barriers exist that hinder their development. Sometimes there are institutional barriers, for example in respect of visa regimes which prevent organisations from moving talented people around their international operations. There are also a range of potential cultural barriers as well as language barriers. Simply agreeing who does and who does not have serious developmental potential may vary from place to place due to different cultural interpretations of high potential. There are also simple practical problems associated with maintaining databases across a

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

large international organisation. The more decentralisation there is within an international organisations' structures, the more challenging effective talent management can become.

Numerous possible practical steps could and did form the basis of good answers to Part 2. Providing opportunities for people to apply for formal international management development and inpatriation programmes were common suggestions here. Another approach involves urging local managers to suggest names. Much can be achieved with more effective communication across a global organisation's various operations and the establishment of attractive and exciting talent management programmes.

The business case is straight forward. All organisations, whether they are based in one country or internationally stand to benefit over time from the development of good people with leadership potential. The bigger an organisation, the more potential talent is employed and the greater the chances that people will be able to be identified and developed fruitfully. International organisations require senior managers with international experience, representing and with experience of working across their global operations. It is thus greatly to their benefit to look to develop people from across their international divisions and not solely to focus on corporate HQ people as often happens in practice.

Question D8

Learning outcome: LO6 assess the contribution made by HRM and HRD specialists in different types of organisation

Answers to Part 1 here were often disappointing in that they focused more on the HR aspect than the productivity aspect. One does not necessarily follow from the other. A lot of answers discussed hiring consultants and training company secretaries to do basic HR, which is not quite what this question was getting at.

The suggested possible approaches take two major forms. It is argued, first, that there is a good case for public investment in this field. Improving productivity in SMEs would be good news for the national economy. It thus follows that there is a case for government (possibly via local government structures) to fund more HR advice and services for small business owners to access. This already happens to an extent through ACAS and local enterprise partnerships (LEPs), but much more could be done in this field. The second major suggestion is that small employers should band together to access shared resources in the HR field. This is something that could be co-ordinated by government or potentially by chambers of commerce. A blend of the two approaches is also possible. Either way the aim would be to provide low-cost or zero-cost access for small business owners to a wider range of specialist HR advice and practical assistance so that more is invested in training and more professional approaches to people management are adopted over time in as many small firms as possible.

Answers to part 2 were stronger and varied considerably, marks depending principally on the quality and persuasiveness of the justifications advanced. Many stronger answers focused on HRD interventions and those aimed at improving job quality. Basic people management coaching can also make a great deal of difference as it is often quite straight forward policies and practices which are absent, and which lead to relatively unproductive outcomes in SMEs.

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

Question E9

Learning outcome: LO7 promote professionalism and an ethical approach to HRM and HRD practice in organisations

This was very difficult to mark because so many candidates read the question as being about the ethical merits and de-merits of PRP in general terms, rather than its specific potential for creating perverse incentives. They thus often wrote about its fairness as a payment system and the potential for favouritism and inequitable outcomes for employees.

There are in fact many points and examples that can be made here in respect of perverse incentives. The principle example arises from the danger that an incentive scheme can be too highly geared, putting a high percentage of potential earnings 'at risk'. In order to earn a decent salary employees have to work very hard and are continually kept in a state of concern about the level of earnings they will achieve each month. This can lead to too great an intensification of work and hence a great deal of stress. Over a prolonged period this can lead to burn-out and all kinds of mental health / physical health issues. It can affect how much time someone has away not just from the workplace, but from thoughts of work, and hence have a negative impact on family and personal relationships.

Moreover, some systems are very simplistic and reward quantity of work rather than quality. Short-cuts are then incentivised, meaning that a sub-standard service is provided to customers. In a sales context the result is hard-selling, potentially of products and services that customers do not need. In the case of managers issues of moral hazard become relevant when pay is too highly geared towards incentives. This means that risks are taken with the organisation itself, as occurred during the financial crisis a decade ago when some banks and financial service providers were found to have taken very inadvisable risks with their clients' investments. The fact that this kind of HR practice is so common, does not make it any less questionable from an ethical perspective.

The best way to introduce PRP and incentive-based payment schemes while ensuring compliance with basic ethical standards is to follow some core principles. First, the performance-related element should not be so high as to cause hardship if not earned. Secondly targets should be SMART (i.e. achievable by employees without undue risk taking). Thirdly, it is best if the objectives which determine pay are clear and ethically justifiable. Fourthly, incentive schemes should not reward employees for overworking and putting in more hours than is good for their mental health, wellbeing and a healthy work-life balance.

Question E10

Learning outcome: LO7 promote professionalism and an ethical approach to HRM and HRD practice in organisations

This was a popular choice of question but being the final one answered by many candidates it inevitably tended to be on the brief side.

The HR function can make a direct contribution through interventions which look to improve organisational practices within the broad field of HR responsibility. Examples would be looking to reduce the extent to which employees commute to work at busy times in their own cars (e.g.

7LMP- Leading, Managing and Developing People

EXAMINER'S REPORT

September 2020

car sharing schemes, homeworking arrangements, staggering commuting times, pricing car parking arrangements, laying on communal transport to railway stations, encouraging walking and cycling to work), communication exercises aimed at saving energy, water and paper consumption, recycling incentives and the full range of training initiatives aimed at raising awareness of sustainability issues.

In addition, there are indirect measures. Examples would include incorporating environmental targets in performance management systems, having an eye to attitudes in the field of sustainability when recruiting and promoting people, drawing up codes of conduct and workplace rules which prioritise environmentally sustainable behaviours and celebrating examples of particularly striking behaviours / achievements of this kind.

These were all included in the answers. What was often missing was a good level of justification. There was a strong tendency here to state the point perfectly effectively but then not to go on and justify its inclusion.

Conclusion

This paper was sat in unusual and unexpected conditions. Yet for the most part candidates rose very well to the occasion and I am delighted with the overall pass rate achieved. The key errors that people made were very familiar (not devoting enough time to Section A, failing to focus sufficiently on the detail of the case study, insufficient justification advanced in support of valid points, a tendency to write too briefly in Section B and on occasion missing parts of questions altogether).

Stephen Taylor
Devon