



Chartered Institute of Personnel and Development

Advanced Level Qualification

**Human Resource Management in
Context**

January 2013

21 January 2013 13:50 –17:00 hrs

Time allowed – Three hours and ten minutes

(including ten minutes' reading time)

Answer Section A and five questions in Section B (one per subsection A to E).

Please write clearly and legibly.

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 accidental.

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 per cent in either Section A or Section B.

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SECTION A – Case Study

Note: It is permissible to make assumptions by adding to the case study details given below provided the case study is neither changed nor undermined in any way by what is added.

Established in Birmingham in 1995, Green Shoots Products (GSP) plc operates in the UK, Ireland, India, and Canada but generates about 95 per cent of its revenues in the UK. It is a green support services company, employing about 5,000 people with a wide skill base. The HR function is largely an administrative one. In 2000, GSP was restructured into an employee-owned limited company.

GSP provides energy efficiency and green support solutions. These include outsourced services, central heating, renewable energy solutions, and repair, maintenance, and servicing products addressing the environmental objectives of the residential, governmental, and commercial sectors. Its main competitors are Centrica plc, EDF Energy plc and RWE npower.

GSP's key products and services cover:

Heating and renewables: renewable energy solutions solar thermal heating systems solar photovoltaic systems heat pumps	Heating: central heating installations service contracts annual servicing repairs and breakdowns plumbing services electrical servicing and repairs smoke alarms
Insulation: cavity wall insulation loft insulation fire barriers timber frame insulation roof ventilation under-floor insulation external wall insulation	Managed services and carbon services: multi-channel customer services finance and administration resource planning case management renewable energy and green technology solutions

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A recent SWOT analysis of GSP reveals the following:

Strengths:

- Some key acquisitions have taken place recently. These have broadened the company's coverage of the UK energy efficiency market regionally and its range of products and services.
- Since 2007, the company has continually delivered growth in its revenues and profits, whilst maintaining its commitment to delivering high quality services to customers. Company revenues for the last financial year were £790 million (up by three per cent). Its operating profit was £50 million (up by 13 per cent). And net profit was £32 million (up by nine per cent).
- The company has changed its organisational structure to enhance profitability and improve corporate efficiency:
 - Managed services: these provide end-to-end solutions for local and central government and commercial organisations.
 - Carbon services: these focus on the carbon economy and delivery into the carbon emissions reduction target (CERT) and community energy savings programme (CESP) markets.
 - Heating and renewable services: these provide central heating and renewable energy solutions to social landlords, fuel poverty programmes, and private households.
- The ownership of the company promotes significant commitment from its workforce who are called 'partners'.

Weaknesses:

- Concentration of GSP's operations in the UK increases its exposure to local factors but deprives it of larger revenues from high-growth export markets.
- The company has a small number of high-value contracts.

Opportunities:

- The Energy Act 2011 sets the 'Green Deal' in law. It provides a long-term framework for the UK to achieve carbon reduction goals and ensures that steps are taken to adapt to the impacts of climate change. The Act aims to reduce the UK's carbon dioxide emissions by at least 60 per cent by 2050.
- The company now provides large-scale installations of solar photovoltaic systems for social housing landlords across the UK.
- Between 2003 and 2009, average household gas bills in the UK doubled and average electricity bills rose by 60 per cent. Almost four million households in the UK are struggling to heat their homes,

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Threats:

- Funding for the Government's Warm Front scheme has been reduced.
- Increasing competition and pricing pressure have led to a highly competitive market. This has resulted in some pressure on the company's operating margins.

The key objectives for GSP next year, set against the backdrop of the market factors outlined above, are:

- To maintain the company's lead position in its existing markets, whilst positioning it for the opportunities presented by the Green Deal.
- To deliver its solar photovoltaic project and prepare for significant growth in other domestic renewable.
- To build on the momentum gained in diversifying its contract base.

The Chief Executive Officer (CEO) remains concerned about maintaining the company's competitive advantage in the marketplace and its volatile product market contexts. She is also concerned about the implications of public policy developments. She has invited you, a local independent business consultant, to advise the company how it might respond to some of these market and business challenges.

The CEO wants you to undertake the following:

- 1. Identify up to five issues in the SWOT analysis and show how addressing each of these will contribute to maintaining GSP's competitive advantage in the marketplace.**
- 2. Undertake a 'five forces' analysis of the sources of competitive advantage of GSP, drawing upon Porter's strategic assessment model of the competitive position of the company. This requires taking account of the existing competitive rivalry between suppliers, the threat of new market entrants, the bargaining power of buyers, the bargaining power of suppliers, and the threat of substitute products entering the market.**
- 3. Critically evaluate how government economic and social policy, including the Green Deal, is likely to affect the company in the short term.**

It is recommended that you spend equal amounts of time on task 1, task 2 and task 3.

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SECTION B

Answer FIVE questions in this section, ONE per subsection A to E. To communicate your answers more clearly, you may use whatever methods you wish, for example diagrams, flowcharts, bullet points, so long as you provide an explanation of each.

A

1. Corporate social responsibility is 'where companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis' (European Commission 2001).
 - i. Drawing upon research, explain with examples why some companies adopt corporate social responsibility policies.
 - ii. Outline the extent to which your organisation **either** has **or** has not adopted a corporate social responsibility agenda, giving reasons for this.

OR

2. Despite critiques by some organisational theorists, bureaucracy remains a common form of business organisation today.
 - i. Drawing upon research and/or organisational practice, identify and discuss the main features of bureaucracy as an organisational form.
 - ii. Critically examine the limitations of bureaucracy in the context of the current business environment.

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B

3. Drawing upon research and/or organisational practice, critically evaluate the contribution of **either** the financial management function **or** the quality management function in your organisation.

OR

4. Organisations have to respond to the major external contexts facing them and try and shape their own HR agenda.

Identify and discuss **three** external factors that help shape the HR agenda within your organisation.

C

5. A major debate about strategy formulation in organisations concerns whether to adopt a rational or an emergent approach.
- i. You have been asked to make a presentation to senior colleagues explaining the benefits of using an emergent approach when developing corporate strategy in organisations. Drawing upon research, what will you say and why?
- ii. Outline and discuss **up to three** internal constraints on developing an effective emergent corporate strategy.

OR

6. One of the major developments in HRM in recent years has been the adoption of a more strategic approach to HR issues.
- i. Explain why this has happened.
- ii. Drawing upon research and/or organisational practice, critically evaluate **one** model of strategic HR.

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D

7. Globalisation has a number of definitions. For Giddens (1990), it is 'the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa.'
- i. Drawing upon research, explain why globalisation is a controversial phenomenon.
- ii. Explain how globalisation has affected the HR function.

OR

8. Multinational corporations (MNCs) are now major players in the global market economy and have become dominant in certain industries or sectors.
 - i. Identify and analyse **up to three** major factors driving the growth and increasing importance of global companies in the world economy.
 - ii. Drawing upon research, discuss **up to three** ways in which national governments provide support for MNCs. Explain why they do this.
-

E

9. The structure of the UK labour market is continuously changing in response to economic and related pressures.
- i. Drawing upon research, analyse and explain **up to three** trends in the **occupational** distribution of the UK labour force in recent years.
- ii. Drawing upon research, analyse and explain **up to three** trends in the **industry** distribution of the UK labour force in recent years.

OR

10. Castells (2010) and others have demonstrated the revolutionary impacts of present-day new technologies on work, organisations and how organisations are managed. Taking information and communications technologies (ICTs) as an example of new technologies:
- i. Explain how ICTs impact on the way work is organised and managed in enterprises.
- ii. Explain how ICTs impact on your organisation's markets.

END OF EXAMINATION

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Introduction

This report reviews the January 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 “Strategy, Insights and Solutions” professional area of the CIPD’s HR Profession Map.

In this examination, 213 candidates took the unit. Of these, 158 achieved a pass standard or more, giving a pass rate of 74.2%. The breakdown of grades is shown in below.

Examination results of unit 7HRC, January 2013

January 2013		
Grade	Number	Percentage of total (to 1 decimal point)
Distinction	4	1.9
Merit	23	11.3
Pass	131	61.0
Marginal fail	16	7.0
Fail	39	18.8
Total	213	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 ten) 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.

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Section A

Learning outcomes: 4 and 7

This section consisted of a seen case study with three questions, where candidates were expected to answer all questions. The case study was about a 'Green' company providing energy efficiency and green support solutions.

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 7.

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

Task 1

This question asked candidates to identify up to five issues in the case's SWOT analysis and show how these will contribute to maintaining the company's competitive advantage.

GSP faces many challenges in the markets where it sells its key products and services and where it must respond to increasing competition from other businesses. So up to any five issues could be selected by candidates from the SWOT analysis for written responses but their answers were expected to be justified.

To maintain competitive advantage for GSP, examples of issues demanding responses might typically include: gaining more business acquisitions, drawing on/developing the knowledge and skills of GSP's workforce (and retaining it), expanding further into export markets (where its larger competitors carry a wider scale of operations), further penetration of the home, social housing, public and corporate sectors in providing green support services, increasing its numbers of high value contracts, and building on the Green Deal provisions in the Energy Act 2011. This Act seeks to tackle the barriers to investment in energy efficiency, enhance energy security, and enable investment in low carbon energy supplies to increase. The CERT and CESP markets are also important sources of opportunity for GSP. The balance between provision of the company's managed services, carbon services, and heating and renewable services may also need to be addressed. Diversification could be a major policy objective of the company. Other examples drawn from the SWOT analysis are equally valid.

Better answers to this question provided some evaluation of the chosen issues but did not always demonstrate clearly enough how they would provide the organisation with an edge over its competitors. The best answers came from candidates who had conducted some research into issues such as the Green Deal. For example, some quoted the Nuttall report which highlighted the performance of worker partnerships and how they have performed better during the recession. These candidates were able to suggest that the commitment and engagement of its part-owner workforce

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would provide competitive advantage. Pleasingly, most candidates were able to use the SWOT framework to respond to this question quite effectively.

Weaker answers generally repeated information contained in the case and undertook very little evaluation of it. Most weak candidates did not focus sufficiently on competitive advantage. In other cases, some weak candidates focused more on external issues than their impact on competitive advantage. But, in summary, responses to this question were generally good. Indeed, there were some really good answers, where candidates had clearly undertaken some significant research prior to the examination, probably with the support of their subject tutors.

Task 2

This question required candidates to undertake a five forces analysis of the sources of competitive advantage of the firm.

The major competitive rivalry in GSP's product markets comes from big MNC companies such as Centrica, EDF and Npower, as well as smaller local and regional firms providing similar products and services; but green products and services are potentially a growing market, despite the pressures within it. In these circumstances, a differentiation strategy by GSP might be an appropriate one. The threat of new market entrants is a real one, since it is a relatively easy market to enter with fairly low investment costs, where barriers to entry are low and where geographic factors come into account in determining customer decisions.

The bargaining power of buyers is strong: it is a 'newish' competitive market where prices are critical. Customers have a wide choice of suppliers, there are a large number of potential buyers in the market, and the technology in the green products and services sector is continuously changing, giving consumers a wide of choice of providers/suppliers. The bargaining power of suppliers is indeterminate but probably weaker than it appears. This is because choice of supplier is affected by brand reputation, geographical coverage, product/service quality, relationships with customers, and supplier capabilities. The threat of substitute products is affected by what alternatives may be available, fashion and social trends, and the effects of legislation. On balance, GSP faces a hard set of market conditions but these can be responded to effectively, if the company builds on its reputation, its committed workforce and robust financial record.

Generally, this question was competently addressed. But despite stating the five forces, some candidates failed to cover all of them. The main weakness was confusion over the energy supply role of the multi-national competitors. This led some to discuss how difficult it would be for new companies to enter GSP's market and talk about price regulation. Other candidates were able attempt all elements of the five forces model and it obviously helped that the question listed these elements, so candidates did not have to recall the model, just apply it. Some candidates displayed a lot of knowledge of the energy market and did very well on this question.

Most answers to this question, then, were satisfactory and they showed knowledge of the model, as well as attempting some analysis of the forces. A common weakness,

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however, was failure to establish whether the extent of each force was high or low. What would have strengthened most answers was some conclusion about the strategy GSP should pursue, with some indication of its priorities. Also, how does high buyer power and intense rivalry impact on its pricing policy? Such analysis could have led to justifiably recommending a differentiation strategy.

Weak candidates, however, struggled with the five forces, despite the fact that they had been provided with the headings. Some of these could only manage three or four of the five forces, so they would have struggled even more without these.

Task 3

This question asked candidates to critically evaluate how government economic and social policy is likely to affect the company in the short term.

Several areas of the Coalition government's economic and social policy are likely to impact on GSP. Examples include: its public spending plans, reduction in funding for the Warm Front programme, housing policy especially the provision of further social housing and affordable housing, the impact of government economic policy on household incomes, and to what extent the economy experiences economic growth (or contraction). Under the Green Deal, bill payers will be able to get energy efficiency improvements without having to provide cash upfront up. Instead, businesses will provide the capital, getting their money back via the energy bill. At the heart of the offer is a simple feature: estimated savings on bills will always equal or exceed the cost of the work. It's a flexible framework, one that gives businesses and consumers the opportunity to make the energy efficiency improvements that best suit their situation. GSP and its customers can clearly benefit from these provisions.

Answers to this question were again generally satisfactory. Most included comments on withdrawal of government funding for the Warm Front scheme but compensated for by registration to the Green Deal scheme. They also covered issues of lower household disposal income from higher energy costs and changes to government benefits. Better answers covered wider economic and social policy matters - in one case pointing out the possible planning problems for companies like GSP of an economic policy of reducing spending while providing funding for the Green Deal. On the whole, a good standard of answer was produced by most candidates

Less competent answers failed to argue how these issues would impact on GSP's bottom line and future prospects. This question also posed some difficulties for other candidates. A significant number of these discussed only the Green Deal and did not refer to wider government economic and social policy. Many of these responses were comparatively brief.

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Section B

In this section, candidates had to choose one question out of two in each of five sub-sections that covered the remaining learning 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 1

Learning outcome: 1

This question asked candidates to explain why some companies adopt corporate social responsibility (CSR) policies and whether their organisation does.

The first part of this question relates to the theoretical underpinnings of CSR; the second to the candidate's own organisation. CSR derives out of the perception by some members of the business community that sustainable business success and shareholder value cannot be achieved solely through maximising short term profits. Those leading companies, as well as pressure groups outside them, are becoming aware that they can contribute to sustainable development by managing their operations in ways that enhance economic growth and increase competitiveness, whilst at the same time promoting social responsibility, such as consumer interests and environmental protection. There are all sorts of arguments for doing this. These include (but not exclusively): globalisation has led to new organisational responsibilities for businesses; considerations of image and reputation are important; consumers and pressure groups tend to reward socially responsible firms; financial stakeholders seek disclosure of information about socially sensitive issues; international and environmental pressure groups are important too.

CSR as a concept appeared to be well understood by most candidates. But a common problem in responding to this question was failure to refer to research and over dependence on examples, without analysing *why* organisations adopt CSR. The second part of the question was confidently answered in most cases. But again the *why* was less developed than the *what*. There were a small number of excellent answers that explained quite thoroughly the major reasons why some firms pursue CSR policies and supported them with good examples. Good answers used a sound framework for answering each part of the question, with many focusing on stakeholder interests.

In weaker answers, there was confusion between CSR and ethics and in these answers the second part of the question tended to be descriptive rather than assessing the organisation's CSR agenda. Answers that failed only provided examples of what organisations did, but did not explain why they did it. Most of these answers were just worth a pass. There was some indication of the reasons for adopting CSR policies but answers to the second part of the question were rather limited in their examples and how they were carried out.

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Question 2

Learning outcome: 1

This asked candidates to discuss the main features of bureaucracy and its limitations as an organisational form.

Bureaucracy is essentially about managerial control within organisations. Within a framework of rational-legal principles, defined by rules and hierarchical relationships, bureaucracy for many business leaders represent the most technically efficient and rational form of organisation. The key features of bureaucracy include: hierarchy, rules, function (by providing a rational internal order), focus (which fulfils the needs of the organisation), impersonal, and qualifications (rather than nepotism and 'contacts') provide objectivity in employment issues. Bureaucracy has many weaknesses including: sub-units conflict with organisational goals, obsessive concern with rules and regulations, lack of employee discretion. But bureaucracy survives because of inertia, 'it's the way things are done here', large size prevails, environmental turbulence can be managed, technology maintains control, hired people have undergone extensive training.

Most candidates answering this question were familiar with the main features and characteristics of bureaucracy. The distinction between answers was usually in terms of depth of explanation to the first part of the question and the inclusion, or otherwise, of reference to research or practice. Equally, most pass answers were able to describe some of the limitations of bureaucracy but, again, there were variations in depth. Only the very best answers commented on reasons why bureaucracy still remains. Overall, most answers deserved a pass or better.

Weaker candidates often appeared confused between bureaucracy, scientific management and the human relations movement, so these answers were contradictory and muddled, with the second part of the question not being very well handled by most of these candidates. One of the main weaknesses was in the second part of this question, where there was a tendency to talk about new organisational forms rather than the limitations of bureaucracy. In other cases, weak candidates confused bureaucracy with Taylorism and autocratic styles of management.

Question 3

Learning outcome: 2

This question asked candidates to critically evaluate the contribution of either the financial or quality management function in their organisation.

Finance can be considered in various ways; for example, sources of capital, evaluation of capital projects, annual accounts and budgetary control.

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The importance of the quality function might be considered by candidates or key elements in the quality function, including the impact on HR issues. But a variety of responses is expected from candidates. Providing a critical review is the important thing.

Finance was more popular than quality management. There were very few really poor answers to this question. However, many were largely descriptive, weaker answers tending to focus on a small part of the role, such as budgets, and/or on the relationship between finance and HR. Better answers to either option drew out some negative effects of the function on employees. There was the tendency to discuss too many of the positive aspects of these two functions, so ignoring any consideration of the weaknesses in these systems. In short, less acceptable answers did not provide a reasonable and critical evaluation to the question set.

Weaker answers tended to be descriptive of the function, as opposed to critically evaluating its contribution. Also little relevant research evidence was drawn upon but sound examples of organisational practice were provided by some candidates. In summary, responses to this question were commonly very descriptive with little depth of analysis. Often finance or quality did everything correctly, so there were no effective critiques in these answers.

Question 4

Learning outcome: 2

This asked candidates to identify up to three major external factors that shape the HR agenda in their organisation.

Organisations require people resources and are resource-dependent bodies which have to cope with uncertainty and negotiate exchanges to obtain the resources they need. In searching and responding to the external factors facing them, organisations try and shape their HR agenda. Various factors influence this task. These include the labour markets organisations operate in; the demands for flexibility in the workplace; employment legislation; and public policy. Candidates then have to explain how effective their own organisation is doing this.

This was a very popular question and the majority of candidates provided answers that were good enough to earn at least a pass. With weak candidates, there was usually lack of sufficient comment on how the overall HR agenda is shaped. Often the comments related to minor adjustments or extensions to what is done normally. For example, the cap on immigration meant that there was a smaller pool of talent from which to choose new recruits. Similarly, the Equality Act meant some slight alterations to recruitment procedures. In short, very good answers demonstrated how a range of HR activities and functions has been affected by some external change. Most often the changes mentioned were technology advances, reduced government funding and/or legislation.

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There were some well-developed answers, where factors were selected that were highly pertinent to the candidate's own organisation such as an ageing population in relation to NHS. The discussion ensuing from these answers was then often revealing and apposite, demonstrating the effects on the HR agenda very well.

Weak answers provided paragraphs about the importance of STEEPLE analysis but did not identify and discuss three external factors shaping the HR agenda, as the question required. Some weaker candidates even selected *internal* issues. But generally, there were some very good answers to this question, containing thoughtful insights into the impact of a wide range of external factors on HR.

Question 5

Learning outcome: 3

This asked candidates to explain the benefits of an emergent strategy and discuss up to three internal constraints on developing such a strategy.

Emergent strategy is where the final objectives are unclear and the elements within it are developed as strategy proceeds. It arises from the observation that human beings do not always react rationally and logically to situations. Logical incrementalism, for example, is where strategic management proceeds by a series of small incremental steps based on the experiences of managers and the contexts they face. The test for emergent strategy is how it emerges over time. The internal constraints on emergent strategy can include limitations of human resources, finance, marketing, operations and research and development.

Again, there were some good answers to this question, although the second part of the question was typically less well-answered than the first part. Evidence in the answers suggested that strategy formulation had been studied pretty thoroughly. Those that failed either produced a weak answer to the second part and/or did not highlight the benefits of using an emergent approach in strategy formulation. Better answers quoted flexibility and innovation as positive benefits, particularly in a turbulent environment. There was also mention of logical incrementalism and Mintzberg's five P's of strategy.

Other responses were disappointing, however. What was presented showed some familiarity, with the emergent approach, but with insufficient knowledge of its characteristics. Most of these candidates were able to suggest that ends or goals are determined, but the means to achieve them are indeterminate.

Weaker answers were unable to go much further than this and often failed to comment on the benefits. For those lacking enough knowledge and understanding, their comments on internal constraints were also limited. The most common constraint was poor communication or top management support; the latter not being very convincing. Others candidates were able to mention issues such as competition for resources or general lack of them, transactional and not transformational leaders, confusion and conflict between separate units.

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Question 6

Learning outcome: 3

This question asked candidates to explain why some firms adopt a more strategic approach to HR issues and to critically evaluate one model of strategic HR.

Issues of strategic HRM are of increasing importance for many organisations today. This is because, in their search for improved organisational performance, organisations need effective people to work for them, and to be committed workers, and to develop HR policies and strategies that align with their corporate and business strategies. This enables businesses to gain competitive advantage in the marketplace.

Candidates are able to choose any model of HR strategy (say, best practice, best fit or the resource-based view of the firm) and to critically evaluate it, based on published research, in terms of their effectiveness, applicability, methodology and use of proxies.

This was a popular question but in general answers to it, for the most part, were weak. Few candidates could say why there has been an adoption of more strategic approaches to HRM in recent years. Some wrote at length about hard and soft HRM, which wasn't what the question asked. Others listed model after model and models of all sorts of things – the HR function, SHRM, the psychological contract. These were a really mixed bag, suggesting that these candidates were clutching at straws. The biggest disappointment was the number of candidates who cited the Ulrich model of the HR function as a model of strategic HR in the second part to the question. Some candidates did this, even though they had discussed best-practice and /or best-fit approaches in the first part of the answer. Confusing models of the HR function and models of SHRM is something the examiners have come across before in this exam, and in the PDS scheme. This makes one wonder whether strategic HR theory is being effectively taught in some centres.

In the weakest answers, besides shortages of explanation on the reasons for HR adopting a more strategic approach, several answers to the second part of the question failed to evaluate a strategic model. Further, evaluations were rather anodyne. Those who chose a strategic model made some evaluations which were poor. Weaker answers to the first part of the question were also limited in their reasoning. Overall, this was probably the worst answered question on this examination paper.

Question 7

Learning outcome: 5

This asked candidates to explain why globalisation is a controversial phenomenon and explain how it affects the HR function.

Many factors account for the rise of globalisation. Globalisation is the process by which the world is becoming increasingly interconnected as a result of massively increased trade and cultural exchange. It has increased the production of goods and services. These reasons for globalisation include: improvements in communication,

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improvements in transportation, freedom of trade, labour availability and skills, transnational investment, and multi-national corporations.

Globalisation has, amongst other things, affected the HR function by: placing great emphasis on the importance of human capital for organisations; showing the importance of HR for gaining competitive advantage in the market; to help dealing with the labour shortages and the search for global talent; and prompted the need to manage diversity effectively.

This was a very popular choice of question and some answers were quite competent, with some of them being very good. In general, enough knowledge of the debate regarding globalisation was evident, so differences in the marks awarded were usually a matter of depth, balance and thoroughness in the answers. In a few answers, there was substantial comment on the positives, but with little on the negatives and vice-versa.

The answers to second part of the question were generally good, including comments on issues such as strategic orientation, diversity, discrimination, management training, and cultural differences. Again, differences in marks were mainly a matter of breadth and depth. Overall, this seems to be an area which most candidates were quite knowledgeable about.

The second part of the question required candidates to consider how globalisation has affected the HR function. These answers were sometimes very general, discussing how globalisation affects firms rather than how it impacts on the HR function. Those who did answer the question more effectively either discussed how HR activities had altered or how the shape and organisation of the function had changed as a result of globalisation. Either of these approaches was judged to be appropriate and marks were awarded accordingly.

Research references usually accompanied answers to this question, which was pleasing. Most candidates could discuss at least some contested or controversial points associated with globalisation. Answers with examples were often better developed and more convincing than those without them.

Question 8

Learning outcome: 5

This question asked candidates to discuss up to three factors driving the growth of global companies in the world economy and how national governments provide support for them.

The factors driving the increasing importance of MNCs in the global economy include: increases in markets, sales and profits; economies of scale; enhances

competitiveness; enhances returns for investors; insulates domestic sales by finding new foreign markets; cuts costs through global outsourcing; reduces dependence of present markets; and capitalises on tax advantages.

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There were few answers to this question, and these were not well-answered. Most candidates confused drivers of MNC growth with factors which were not largely relevant. In other cases, some major factors were identified but there was little analysis in the first part to the question and support for MNCs was considered but with no research evidence cited. In short, there was a poor set of responses to this question.

Question 9

Learning outcome: 6

This asked candidates to explain up to three occupational and three industry trends in the distribution of the UK labour force in recent years.

Some major occupational trends include: increases in higher managerial and professional groups; growth in intermediate occupations; fall in skilled occupations; rise in self-employment. Some major industry trends include: rise in distribution, hotels and catering; rise in public administration; rise in finance and business services. Falls in agriculture and fishing; manufacturing; and in energy and water.

This was not a popular question but, on the whole, it was poorly done. The second part of the question was generally much better handled than the first part. In the first part of the question, occupational distribution clearly confused some candidates, as they interpreted it as a cue to discuss demographic trends at length – which was not the question. Surprisingly, many candidates struggled with the terms ‘occupational’ and ‘industry’. The growth of a female workforce and an immigrant workforce was often used for occupational grouping.

Overall, then, answers were weak. It was surprising to find so many candidates who were unable to distinguish between occupational and industrial distribution. The very weak answers simply discussed more women in the workforce, or that it is ageing, both of which were not made relevant to the question set. Scripts that were slightly better outlined the hour-glass model but, again, often failed to place it in either context. Those candidates who managed a bare pass level of performance did so by mentioning that roles are now more professional or require higher and possibly more technical qualifications. Overall, this was a question that was poorly answered.

Question 10

Learning outcome: 6

This question asked candidates to explain how ICTs impact on how work is organised and how they affect their organisation.

Computer technology and its applications are now much cheaper, better, and affordable. Organisations have developed new shapes, based on flexibility and

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networking. The advanced manufacturing model of work raises productivity, quality of output, customer choice and changes the nature of labour markets. There is a massive diffusion of ICTs into factories, offices and service organisations. Direct work has decreased because ICTs empower shop floor workers. ICTs enhance work requiring collection of data, analysis and programming which only humans can do. New ICTs open up new product markets, extend the global reach of businesses, and maximises competitive advantage for organisations using them.

This question was answered quite well. In the first part, some candidates focused on both the organisation and design of work, as well as management of the enterprise. In others, the former of these two issues was ignored. Most often comments relating to the latter involved issues such as ease of communication, home working and data processing. Those achieving a bare pass grade usually failed to provide a good answer to the second part of the question. The focus was often too much on internal issues and not the organisation's markets, including change in competition, contact with customers and ability to satisfy their needs.

Weaker answers were generally rather narrow by commenting mainly on e-mails, video-conferencing, etc. These candidates needed to adopt a more holistic approach to the question. Another weakness was failure to read the second part of the question effectively. Some candidates simply applied the points covered in the first part of their answers to their own organisation, rather than assessing the impact of ICT on the market.

In other weak answers, candidates appeared not to have read the question carefully, although the question was a straightforward one. Too many answers contained general debate about the impact of ICTs in firms, usually about smart phones and emails aiding communications. Few candidates took this further by focusing on the impact ICTs have on the ways work is managed and organised.

In many cases, the second part of the question was not answered at all well. The word 'markets' was ignored and, instead, candidates explained how ICTs had impacted mainly on their organisation's internal processes, which was not what the question asked.

Conclusion

The pass rate in this examination diet was 74.2%, which was a pleasing set of results. The marking team is of the view that this examination paper provided a good test of all the learning objectives and the indicative content of this unit, and was a fair test of candidate knowledge, understanding and application of knowledge within the module.

The marking team observed the following general points in assessing candidates in this examination:

1. This is an M-level examination and candidates are expected to provide evidence-based answers to the questions set, drawing upon relevant research and good practice of HRM in its contexts. This means that they are expected to read

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around the subject matter of this module. At a minimum, the core text provides an overview of the literature and identifies and reviews key studies in this field of professional knowledge and understanding. But this is not enough; it needs to be supplemented through wider reading by candidates. These sources include relevant academic journals, professional periodicals and the quality press, as indicated by the chief examiner and their subject tutors.

2. Candidate performance was generally better in Section A of the examination, compared with recent examination cohorts. It would appear in some centres that candidates had received good tutorial support in their preparation for the seen case study. This reinforces the need for centres to provide tutorial guidance to this part of the examination paper for their students before the examination. .
3. Overall, answers to the case study were acceptable, containing at least some analysis and evaluation of the issues. Absence of more distinction level answers was because candidates did not offer any strategic direction for the organisation, bearing in mind its key objectives.
4. In Section B, answers in general showed a significant improvement in the knowledge of candidates over previous examinations. However, performances in Section A were on the whole generally better than in Section B. Some weaker performances in Section B were seemingly due to poor time management and it was evident that some candidates lacked the breadth of knowledge necessary to provide good answers throughout this section. Examples of key problems facing candidates included failure to answer the question set, such as in both parts of Question 6, whilst in Question 9 many answers failed to focus on the trends asked for.
5. Although most candidates earned higher marks for Section A compared with Section B, those who performed well in Section A also did well in Section B. Similarly those who failed the examination overall performed poorly across the examination paper as a whole. As usual, a common weakness was that in questions with two parts, answers to the first part were generally more thorough than those for the second part. Some candidates need to be reminded to produce more balanced answers, because they are likely to pick up more marks that way.

Overall, however, this was a good set of results.

I would like to acknowledge and thank my team of markers for their contributions to the assessment process on this occasion. The markers were Derek Adam-Smith, John Ashcroft, Helen Bessant (who joined us for the first time), Chris Evans, Alan Peacock and Amanda Thompson.

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