

Chartered Institute of Personnel and Development

Advanced Level Qualification
**Human Resource Management in
Context
May 2019**

Date: 21 May 2019

Time: 09:50 – 13:00

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

Instructions

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

Information

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

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.

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SECTION A - Case Study

Note: In your responses, you are allowed to improvise or add to the case study details provided below. However, the case study should not be changed or compromised in any way.

Coolco is a UK owned business operating in the food-retailing sector. Established in 1978, Coolco specialised in pre-prepared food – both single items and meals, later branching out into boxes of ingredients prepared to recipe, requiring minimum effort in their final preparation.

The company's low-priced, easily managed meals thrived on the changing socio-economic climate of the country; which saw a rise in the number of single households and working parents and latterly, rising unemployment and the subsequent growth of precarious work.

Coolco maintained a strong focus on its original vision, with a strap-line that read 'feeding families for less' (later revised to 'prepared and priced for busy people'). The vision was underpinned by a clear set of values and informed by market knowledge which strongly informed its strategy. The business grew to £1.5 billion sales by 2000, with over 20,000 employees and 600 stores.

The core values of Coolco are: to serve its customers by providing convenience food at low cost, without compromising on quality; to be an equal opportunity employer and provide pay and conditions above the industry norm; to serve its local communities; to support charities; to care for the environment,

In the early 2000s the company succumbed to a combination of internal and external pressures. It lost sight of its core business in a bid to compete with the high-end of retailing. At odds with this fundamental change in the business, the founder-owner stood down, and a business that, until now, described itself as 'family-run' was taken over by share-venture capitalists who brought in their own financial and market experts.

A revised Board of Directors, under a new chairperson, struggled to develop a clear organisational strategy. Its product portfolio was pulled in different directions and profits fell.

Company culture suffered as employees felt insecure. New product lines came and went as market share continued to fall. After five years of turmoil company finances reached a crisis point and a rescue plan had to be put in place.

The rescue plan involved new investors and, most crucially, the founding owner returned to the business. Coolco was re-engineered to take it back to its original strategic product, market and customer mix and by 2012 it was back under the ownership of its founder.

Coolco steadily regained its reputation for plain, low-cost food that was reliable in quality and easy to prepare. Its market share returned to its previous high, and the company embarked on a series of initiatives to consolidate its position in response to a growth in competition in the preceding 20 years.

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It continued to offer pre-prepared single items and ready-made meals, and now this was supplemented by a range of 'special occasion' foods. This comprised a range of 'starters', 'mains', puddings and specialist pastries, which was, most crucially still aimed at the budget of low-income families.

In 2013 a succession plan was developed and, amongst a range of initiatives, the company launched a Graduate Trainee Scheme. The plan was to develop a new generation of motivated, knowledgeable people who understood the core business, its market and customer-base. Accordingly the graduates were selected for their specialist qualifications (such as HRM, Accountancy and Marketing) with a strong contingent of MBA (Master in Business Administration) graduates who were selected for their all-round 'business-savvy' qualities.

In 2016 the founder-owner retired, confident that the business was in the hands of managers who could enliven the business and take it forward without compromising its core values or neglecting its core customer base.

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You have recently applied for one of the Graduate Trainee positions at Coolco. You have reached the second stage of selection and have been given a set of tasks to test your business acumen, skills of critical analysis and evaluation. You will also be assessed on your knowledge of HR and the environment within which it operates, as well as your understanding of the influence of history on the organisation's future development.

1. Complete a STEEPLE analysis for the company to identify its key external drivers. Reflect upon how these have changed since the company was first established.
2. From the analysis above, identify the three socio-cultural factors and the three economic factors that you consider will have most impact on HR practices across the organisation in the future. Justify your choice.
3. Critically evaluate the negative and the positive ways that different stakeholders influenced company strategy from 1978 to the present time. How might HR contribute to ensuring the organisation avoids future power-struggles as it moves forward under new leadership and a senior management team that now includes a number of young, ambitious millennials.

It is recommended that you spend roughly a third of your time on each of Questions 1, 2 and 3.

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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. Amber is a medium-sized distribution company that has a long history of taking a 'partnership approach' to managing its human resources. Senior managers are convinced that this HR strategy is holding back the organisation's efficiency and agility; in particular when compared with recent new entrants to the market which operate lean management and take a more aggressive approach to managing people. Critically evaluate whether the partnership approach is still suited to this changing competitive market environment. If you were asked to identify a model to replace partnership, which would you choose and why?

With appropriate referencing, draw upon **both** your reading and experience of organisations to inform your answer.

OR

2. According to Kochan and Barocci's (1985) model the business cycle comprises four stages: start-up; growth; maturity and decline. Identify the stage which applies to your organisation, and analyse whether and to what extent the four sets of HR activities: (recruitment, selection and staffing; compensation and benefits; training and development; and employee relations) are aligned to this stage. What else could be done?

With appropriate referencing, draw upon **both** your reading, and examples from your own organisation to inform your answer.

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B

- 3** Using the SWOT model, critically evaluate the impact globalisation is having for HR in the sector in which you work. Draw upon examples from at least three different organisations.

With appropriate referencing, draw upon academic and/or professional journals/books to inform your answer.

OR

- 4.** Globalisation can impact on an organisation's HR policies and practices irrespective of whether the organisation operates globally or is restricted to domestic markets. Identify **five** HR activities where globalisation can have an impact upon a wholly domestic organisation and discuss the advantages and disadvantages of globalisation in respect of each of these factors. Draw conclusions as to whether the overall impact of globalisation is positive or negative for domestic organisations.

With appropriate referencing, draw upon academic and/or professional journals/books to inform your answer.

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5. According to an article in the CIPD journal 'Work' (Spring 2018) 'rather than being best in the world ... businesses are expected to be the best *for* the world ... they should be socially and environmentally responsible, sustainable and ethical'. Identify **two** policies that can be introduced by an HR department that would meet these criteria. What steps would you take to get employee support for the implementation of each. Identify possible reasons for resistance to implementation and what you would do to overcome it.

With appropriate referencing you may answer based on your own experience and/or informed by specific reading and use of other credible, informative media.

OR

6. You work as an HR officer for a large manufacturer of consumer goods. You are drafting briefing papers for the Head of HR, which will be used to gain support for the introduction of a policy on environmental sustainability. You recently read the following statement: 'Individualism in economic and social affairs is further reinforced by mass "consumption" which is the driving imperative of contemporary capitalism, and with which it is closely related' (Farnham, 2015 p259). Draft an outline set of points to support environmental sustainability whilst reassuring shareholders that it will not have an adverse impact upon company profits.

Your answer should draw upon real-life examples together with reading and/or use of other credible, information media.

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7. In recent years it has been claimed by a number of researchers and writers that employers have broken the old relational psychological contract with their employees and opted for a new transactional contract. Critically analyse both types of psychological contract and discuss their application to the following two current trends in employment: specialist skills shortages **AND** precarious employment.

Your answer should draw from research findings and reference a range of organisations.

OR

8. Your local CIPD branch is organising a debating evening and you have volunteered to debate the motion that 'Employer-driven and employee-centred flexibility are incompatible.' You will not know which side of the debate you are speaking on until the evening itself. In preparation for this, draft an outline of what you would say both **for** and **against** the motion. On the evening would you prefer to speak for or against the motion, and why?

Your answer should include practical examples.

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9. The Equal Pay Act was drafted in 1970 and enacted in 1975. Statistics in 2018 indicate there is around a nine per-cent gap between male and female full-time earnings. A colleague from a different department argues that the burden of responsibility for this falls upon the HR profession, and that it is manifestly failing. How would you defend your profession from this charge?

You should use an appropriate model (such as STEEPLE) to frame your answer.

OR

10. In competitive market economies the search for competitive advantage is constant. Using Porter's (1998) five-forces model (Threat of entry; intensity of rivalry amongst existing competitors; pressure from substitute products; bargaining power of buyers; bargaining power of suppliers) explain, with examples, how competition can apply as much to the not-for-profit sector, as elsewhere.

Your answer should identify and draw on **at least** two public sector organisations.

END OF EXAMINATION

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Introduction

This was my first paper as Chief Examiner for Human Resource Management in Context. The questions were based upon the syllabus and had more focus on how HR relates and responds to the external environment than has been the case in previous papers. Although it is recognised that this is a shift in approach, it remains in accord with the learning outcomes and, as can be noted in the overall results, has not affected these beyond the differences that are regularly noted between cohorts.

A total of 348 candidates sat the 7HRC examination in May. Of the 348 candidates, 247 passed this examination making overall pass rate 71% which is a slight increase in comparison to January 2019. The proportion of Distinctions is consistent with other core examination results and with the previous examination in HRC. The proportion of merits and passes is acceptable in terms of what one might expect from a standard distribution curve. Fails have risen by 2% whilst marginal fails are lower by 1% in comparison to January 2019.

Examination results of 7HRC, May 2019

| May 2019 | | |
|-----------------|---------------|----------------------------|
| Grade | Number | Percentage of total |
| Distinction | 12 | 4 |
| Merit | 64 | 18 |
| Pass | 171 | 49 |
| Marginal fail | 30 | 9 |
| Fail | 71 | 20 |
| Total | 348 | 100 |

As with the previous papers the May paper tested some aspects of the syllabus that hadn't been examined in the last few years.

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Section A

The vast majority of candidates researched the case study thoroughly, including looking across the food-retailing sector in general. Knowledge of demographics was particularly well-evidenced and used effectively in tasks one and two. Good candidates had a clear understanding of the phases of the organisation from founding to present-day and used this information in tasks one and three. Overall, Section A produced stronger answers than Section B

Task 1:

Learning Outcomes: LO4: understand, analyse and critically evaluate the market and competitive environments of organisations and how organisational leaders and the HR function respond to them. LO1: understand, analyse and critically evaluate contemporary organisations and their principal environments.

The STEEPLE model is a regular feature on the HRC examination paper. Answers to the first three subjects (STE) were well-handled and the other four less so; with some just bullet points with little or no explanation. Better answers demonstrated scope and depth of understanding, citations that showed good preparatory research and related the drivers to Coolco's operations. The second part of the task was to reflect on changes across the life-time of the organisations. Some answers embedded the changes as they worked their way through the STEEPLE model to identify the external drivers. Others had this as a separate section. In each case this was well done. Some candidates did not address the changes over the life-time of the organisation, and these tended to discuss the future (which was not part of this task).

Task 2:

Learning Outcomes: L06 understand, analyse and critically evaluate demographic, social and technological trends and how they shape and impact on organisational and HR strategies and processes.

Overall, this task tended to be less well completed than the first. Good answers provided strong evidence to support both their choice of socio-cultural and economic factors and clearly relate them to their impact on HR practices. Most candidates tended to provide stronger answers to the socio-cultural influences than to the economic, (which a number of candidates referred to as 'economical'). This might suggest that they are less comfortable discussing economic factors, but also are not fully considering how the financial health of an organisation will impact HR. Not all candidates offered three factors for each, and this problem was compounded as they had little to draw upon to discuss those which 'will have most impact on HR across the organisation'. Weaker answers were typically brief, sometimes just bullet points with little or no explanation. Better answers demonstrated scope and depth of understanding, citations that showed good preparatory research and related the drivers to Coolco's operations.

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Task 3:

Learning outcome: LO2 understand, analyse and critically evaluate the managerial and business environment within which HR professionals work.

Candidates gave a mixture of responses to task 3. Good answers presented a range of possible ways of ensuring the organisation avoids future power struggles, but poor answers often neglected to answer this part of the question or provided brief superficial answers. Some integrated the use of stakeholder models to enhance the answer. A few cited a relevant stakeholder model, e.g. Mitchell et al, to substantiate the power that the stakeholder had. Candidates who had identified the phases of the organisation in terms of the power and influence of different stakeholders at different times were well-placed to note the positive and negative influences. Good answers linked this to the future-role of HR and a number of the strong answers noted the typical characteristics of millennials.

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Section B

It is worthwhile to start this section of the report with a reiteration of the introduction to Section B of the previous report. It provides a useful opportunity to reflect on candidates' preparation and performance in the May examination, given that these comments apply again.

There was a wide range in the quality of answers. Good answers not only met all of the requirements of the questions, but showed an ability to structure their answers, and assemble a well-evidenced answer. Some candidates did not appear to organise their time well, focusing heavily on the case study, leaving insufficient time to present well-constructed answers to Section B. There were some topics that had not been examined in recent diets and it may be that candidates had tended to focus on previous examination questions as a predictor of what might be asked this time. There were opportunities for stronger candidates to stretch themselves. Providing students with more development opportunities in the skills of analysis, evaluation and thoughtful justification would be helpful. It seems too, that some students are still not aware of the need to support their arguments with appropriate research evidence. Additionally, greater focus on the requirements to critically evaluate/examine and use research and current practice to structure answers when required will improve the grades of marginal candidates considerably.

It is also worth noting that a number of candidates were not sufficiently prepared and wrote responses that were not relevant to the questions as posed. Some candidates misinterpreted the question and at times there were 'prepared' answers to questions that were not actually asked. The candidates' over-reliance on past papers at the expense of studying the syllabus may partly account for this. Whilst there is clearly value in using past papers to practice writing under examination conditions, candidates should be warned (and no doubt many of them are) that question-spotting is a dangerous activity. It can also cause them to study a very limited number of topics and be detrimental to a more holistic understanding of the contexts within which HR operates.

Question A1

Learning outcomes: L03 understand, analyse and critically evaluate how organisational and HR strategies are shaped and developed in response to internal and external environmental factors.

This question was not very popular with candidates. A number of those who did attempt it tended to be confused between strategy and delivery. There was similar confusion in the previous examination, when a number of students confused these when answering the question on the role of finance. There was fairly limited evidence of candidates' experience of, and extended reading around, the topic. Those answers that did demonstrate this were in a better position to provide an informed analysis and discussion.

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Question A2

Learning outcomes: L03 understand, analyse and critically evaluate how organisational and HR strategies are shaped and developed in response to internal and external environmental factors.

Most candidates chose this question and the majority were able to apply it well, but some were clearly mistaken in defining their organisation at 'growth' stage just because they continued to recruit or take on new business. In several instances the organisation was clearly at maturity. A few candidates discussed whether complete alignment of functions is either possible or desirable. Strong answers were prepared to challenge and question where their organisation is on the life cycle. In particular some recognised that regeneration was possible, rather than accept the life cycle model as a single continuum.

Question B3

Learning outcome: LO5 understand, analyse and critically evaluate globalisation and international forces

Whilst most were able to conduct a SWOT analysis a number of candidates only offered strengths and weaknesses. of the impacts of globalisation. Those who completed the SWOT demonstrated an understanding of the impact of globalisation. However, a number did not fully relate this to HR in their sector. The quality of responses was wide ranging, with some unfortunately just including the advantages and disadvantages of globalisation, a question that appears very often on this paper.

Question B4

Learning outcome: LO5 understand, analyse and critically evaluate globalisation and international forces

There was considerable variety in the standard of answers to this question. Most provided sound consideration of the impact of globalisation on HR policies and practices However, a number did not focus on a wholly domestic organisation. Conclusions tended to be either non-existent or a good summing up of the issues raised.

Question C5

Learning outcomes: L03 understand, analyse and critically evaluate how organisational and HR strategies are shaped and developed in response to internal and external environmental factors.

This was a popular question and one which candidates generally did well, although some of the policies in this area did not really seem to be about 'social responsibility, sustainable and ethical'. Some candidates wrote about such things as ending discrimination, achieving gender equal pay and paying the living wage. Again, there

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were some very weak answers but these were when ideas and concepts were not fully developed and there was a lack of supporting evidence. Many candidates were able to explore their own organisation well and used examples of others to illustrate points.

Question C6

Learning outcomes: L03 understand, analyse and critically evaluate how organisational and HR strategies are shaped and developed in response to internal and external environmental factors.

This question was less popular than the previous one. Some candidates produced excellent work that took on board the tension between an economy that is driven by mass consumption and the need for environmental sustainability. Weaker candidates had little to say about mass consumption and concentrated on developing a discussion about sustainability. A number of candidates didn't consider the impact of profits. So, overall, a very mixed set of grades.

Question D7

Learning Outcomes: LO4: understand, analyse and critically evaluate the market and competitive environments of organisations and how organisational leaders and the HR function respond to them.

Questions relating to the psychological contract are often a feature of this examination and this question should produce really good answers from most candidates. Unfortunately, a number of answers failed to provide an appropriate critical analysis or discuss the application of the two contracts in the situations required. There were some distinction answers however, and they provided really good critical analysis and application.

Question D8

Learning Outcomes: LO4: understand, analyse and critically evaluate the market and competitive environments of organisations and how organisational leaders and the HR function respond to them.

Some candidates were able to draw on some relevant practical experience for this question, but few included reference to any theories. Some were able to outline a case for and against and then draw a conclusion for why they would choose a particular side. A number of candidates appeared to be unfamiliar with the different forms of flexible working and the debate regarding employer-driven versus employees centred. A number of candidates looked for a middle ground, rather than making a clear case for each debating position. The concept of a debate and having to argue for and against the motion seems to have been a challenge for them.

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Question E9

Learning Outcomes: LO7 understand, analyse and critically evaluate government policy and legal regulation and how they shape and impact on organisation and HR strategies and processes.

Many answers were developed in very general terms and lacked supporting evidence. Better answers were engaged in the discussion and clearly understood the nature of the gender pay gap and were able to explore critically some of the background as to why it exists. Good answers provide sound arguments on the burden of responsibility, but poor answers failed to provide suitable arguments to defend the profession. There was also a tendency for some to simply 'blame' senior and/or line managers.

Question E10

Learning Outcomes: LO7 understand, analyse and critically evaluate government policy and legal regulation and how they shape and impact on organisation and HR strategies and processes. LO4: understand, analyse and critically evaluate the market and competitive environments of organisations and how organisational leaders and the HR function respond to them.

Overall this question was reasonably answered. Most candidates were able to successfully relate Porter's model to the public and/or not-for-profit sector. Those that performed better were able to include some valid examples to support their answer and then make sensible conclusions as a result of this.

Conclusion

The results from this paper indicate that it has provided a clear opportunity for differentiation between the good and less effective candidates. Most candidates had prepared well and researched around the case study sector as well as the company itself. Most candidates also appeared to manage their time well between the two Sections. This gave them the opportunity to write full, well thought-through answers to Section B, rather than concentrating mostly upon the case study. However, there were some for whom this was not the case. As previously, some candidates appeared not to understand the requirements of 'M' level writing, and the importance of research evidence and practical application. Overall candidates were able to apply HRM to the contexts they were given, though more evidence of reading and applying research findings would clearly enhance this. Professional journals and other reputable sources (e.g. some newspapers, such as the Financial Times) are acceptable as well as the usual books and journals. It is clear that some candidates read quite widely, and this serves them well, not only in referencing their work and giving it greater authority, but also in producing a good analysis and discussion.