Chartered Institute of Personnel and Development

Advanced Level Qualification
Human Resource Management in Context

January 2020

Date: 21 January 2020   **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.

7HRC- Human Resource Management in Context

EXAMINER'S REPORT

January 2020

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.

ITUSA was founded over thirty years ago, and is an American, privately owned IT company. World-wide it has around twenty-five thousand customers and an annual revenue of £500m. It operates out of twenty-three countries with thirty-six locations. Its global spread takes in China, India, Australia, Brazil and a number of European countries including France, Germany, the UK and Ireland. In the UK it employs two hundred staff based at its London office.

ITUSA has grown out of a series of strategic mergers and takeovers. Combined into a single organisation, this has enabled it to provide a wide range of services in the fields of technology; automation; cybersecurity; enterprise software and supply-chain management.

The total number of employees across the globe is one thousand seven hundred, of whom around eight hundred work in IT. Of these, three hundred and fifty are spread across US locations. In the UK there are sixty ITUSA IT staff operating in global specialist project teams; and they are project-managed remotely from the US. Each team (which will vary in size according to the project they are working on) comprises staff from a network of countries.

As an employer ITUSA pays above the market average for staff. Their IT recruitment strategy is to attract highly skilled and qualified staff who are committed to continuous professional development in a fast-paced environment that is constantly changing. In return, employees enjoy an employee-centred health and well-being package that embraces work-life balance policy and practices. Further initiatives include: diversity and inclusion; volunteering opportunities; and a flexible benefits scheme.

The flexible benefits scheme allows employees to select the benefits they want, trading in some benefits to have more of others. The work-life balance practices include time off for other responsibilities, working flexible hours, working flexibly between home and workplace, and job-sharing full-time positions.

As a global organisation ITUSA celebrates different cultures. Their recent UK employee satisfaction survey rated 'Culture and Values' and 'Work-Life Balance' first and second respectively. ITUSA offers a range of competitive team-events as part of employee development 'away-days'. In addition, most offices include a fitness centre and access to a range of well-being activities including yoga, massage and meditation.

The demographic profile of ITUSA IT staff is balanced in favour of young men. Although ITUSA engages home country nationals at each location, it also provides opportunities for staff to move between countries. In addition, staff have opportunities to work temporarily in other countries on time-specific assignments. Many IT staff see this geographic flexibility as helpful for their career-development and promotion.

HR puts a lot of emphasis on 'organisational fit' when recruiting. The fast-pace of the IT industry tends to favour those applicants who are up-to-date in terms of learning and development, and keen to operate in a fast-changing environment. The Global HR Director

acknowledges that for a company such as ITUSA there is a particular attraction in recruiting the new generation of workers, typically aged between twenty and forty years, and referred to collectively as Generation Y (or, the millennials). This generation is viewed as having a particular set of traits. Some of these traits are a reaction against the workplace values and behaviours of previous generations – Generation X and Baby Boomers.

Tecall is a small software UK-owned IT company established in 1995 and based in Birmingham. Over the last five years it has struggled to keep pace with the industry as it suffered from cash-flow problems and a lack of investment. Recruitment was halted as the company spiralled into decline and receivership. At this point ITUSA identified a strategic opportunity to enter and grow this small UK software-house market. ITUSA targeted recruitment of key ex-employees of Tecall and hired twenty-five (almost all) of its highly specialised IT workers.

The UK arm of ITUSA is preparing a programme of company induction for this newly acquired group of IT specialists. The group will spend three weeks in the US on a 'familiarisation and onboarding programme' before returning to work in the UK. The technical side will be delivered by IT staff over a two-week period. For the remaining week, HR will focus on 'soft-skills' and support both the group's and each individual's smooth integration into the culture and values of ITUSA.

There are particular concerns from HR (US) that Tecall ex-employees will find ITUSA's culture difficult, as they are not well-matched to ITUSA's targeted traits profile of new recruits. The reason they may not fit in can be summed up as 'generational'. Tecall ex-employees are predominantly from Generation X and share many of the characteristics associated with being born during the period 1961 – 1981. There is early evidence to suggest that they hold mixed views about working alongside Generation Y employees, with their different values and behaviours. On the one-hand, these views stretch from Generation Y as:

- liberal,
- tech savvy,
- self-expressive,
- confident, and open to new ideas and new ways of doing things.

Whilst on the other-hand, some see Generation Y as:

- overly selfish,
- narcissistic,
- lazy,
- delusional and disloyal to a fault,
- materialistic and care little about civil and political affairs,
- constantly checking their twitter feeds and seeking validation on social media.

7HRC- Human Resource Management in Context

EXAMINER'S REPORT

January 2020

Assume you are an HR Adviser from the UK currently based in the US overseeing the induction programme, and reporting to a Senior HR Advisor in the US. It is your job to support the smooth transition of Tecall IT staff to the UK arm of ITUSA and the global world of work. You are given the following tasks to complete for your line manager:

I. **Draft a SWOT (strengths, weaknesses, opportunities, threats) model based on ITUSA's decision to enter the specialist software market previously occupied by Tecall.**

You may use this analysis to help you develop an Organisation Impact Report as outlined below.

1. **Produce an Organisation Impact Report in which you critically analyse the effect on ITUSA of bringing twenty-five specialist software IT ex-employees of Tecall into the ITSUA global working environment. In this global environment they will work in 'virtual teams' with IT staff across several countries, and be 'virtually managed' from the US.**

Your report should include a discussion, *based on three subject-headings:*

- *Organisational Culture.*

- *International Team-working.*

- *Values and Behaviours.*

2. **Provide THREE recommendations to inform the content of the induction programme. Justify your choice.**

These recommendations should help ITUSA minimise any adverse impact from the newly recruited IT staff.

It is recommended that you spend an equal amount of your time on each question.

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. Managerial strategies to attain control tend to be either one of the old 'mechanistic' organisational forms or one of the new 'organic' forms. The organisational forms are: personal; culture; HRM-based; electronic monitoring; bureaucratic; target-based.

Identify **ONE** suited to an old 'mechanistic' and **ONE** suited to a new 'organic' organisational form. With real-life organisational examples other than your own, justify your choice.

AND

Identify the strategy that best describes the one used by your organisation and evaluate its effectiveness for maintaining managerial control.

OR

2. The external contexts of organisations are often identified as: Socio-cultural; technological; economic; environmental; political; legal; and ethical (STEEPLE). Identify and explain the **THREE** external contexts that particularly influence your organisation. Justify your answer.

PLEASE TURN OVER

B

3

A recent (October 2019) CIPD podcast "How far should employee monitoring go?" finds that technology now allows HR to learn more about how workplaces function, and poses the question "is this harmful?".

   i. Complete a SWOT model (strengths, weaknesses, opportunities, threats) to analyse the use of technology to monitor workforce activity.

   AND

   ii. Discuss the guidance HR should provide to avoid the threats you have identified. Justify your answer.

   Your answers should draw upon research and/or reputable published sources.

OR

4

   Risk analysis is now an accepted function in organisations. Strategic risks are those that can threaten high-level issues, such as market-share or even the survival of the organisation. Operational risks are concerned with short-term goals in the form of immediate and/or obvious threats.

   i. Identify up to **THREE** ways that organisations can encourage line managers to manage operational risk.

   AND

   ii. Evaluate the effectiveness of your organisation's approach to operational risk.

   Your answer should draw upon research and/or reputable sources.

C

5. You receive the following email from a friend:

*Hi, I have a selection interview for an HR role in company X. I've done some research and found that they describe their HR strategy as a High Performance Work System (HPWS). Can you tell me what it entails and why they will have chosen this particular model? Also, can you please advise me of up to **three** real-life practical examples and/or published sources so that I can follow-up on the topic?*

Provide a helpful answer to this email.

OR

6. Your CIPD group are planning to discuss whether recessionary changes to the labour market 'push firms away from commitment-focussed HRM and towards more hard-line practices' (Cook et al, 2016:557). In your preparatory notes outline what form hard-line practices may take, and prepare the case EITHER for OR against adopting such practices in response to a recession. Justify your answer.

D

7. One approach to public sector reform is privatisation and marketisation, which have been used to reduce the role and/or size of public sector organisations. The argument in favour of this is based upon a belief that consumers will get a better service and more accountability.

Identify **TWO** public sector or former public sector organisations that have been reformed using this approach. Critically analyse what each has done to improve service and accountability, and what more they could do. Justify your answer.

OR

8. Spontaneity and adaptability are regarded as crucial characteristics for organisations that operate in conditions of hyper-competition. These organisations are characterised by such things as rapid technological change; uncertain markets; price wars; continual internal reorganisation and diverse global players.

Compare and contrast any **TWO** named organisations by analysing how each deals with the characteristics of operating in a hyper-competitive environment. From your analysis, which organisation do you consider the more spontaneous and adaptable? Justify your answer.

E

9.   As an HR professional you have agreed to take part in a colleague's survey for their dissertation. They email you the following:

   i.   Which **ONE** piece of employment legislation would you like to see amended or abolished to strengthen management prerogative?

   AND

   ii.   Which **ONE** piece of legislation would you like to see introduced or extended to give employees greater employment rights?

   Justify your answer to each question, drawing on reputable sources of published work to support your answer.

OR

10.   There are many types of organisations that act as pressure groups to influence, advise and advocate on behalf of their members. Their respective levels of power are determined by a number of internal and external factors. As a specialist in HR you may interact with a number of these pressure groups.

   i.   Identify any **ONE** pressure group you are likely to come across in your professional capacity, providing examples of how it could or has influenced government.

   AND

   ii.   Justify your choice of pressure group and explain what **ONE** cause within its remit you would like it to take up. Justify your answer.

END OF EXAMINATION

Introduction

A total of 204 candidates sat the 7HRC examination in January. Of the 204 candidates, 149 passed this examination making overall pass rate 73%.

January 2020		
Grade	Number	Percentage of total
Distinction	6	3
Merit	29	14
Pass	114	56
Marginal fail	21	11
Fail	33	16
Total	**204**	**100**

The examination case study was based on a private sector organisation. The organisation and its values, belief and dominant culture was typical of US owned organisations, particularly those in the competitive environment of IT. The paper was looking for an understanding of how a large organisation assimilates a few employees into their organisations where these employees represent the potential opening-up of a new area of business for it. As usual, Section B provided variety, with questions about different industries, sectors and organisations. Candidates had opportunities to demonstrate subject application by going beyond their own organisation. With opportunities to compare and contrast different organisations. They also had the opportunity to express their desired position for HR initiatives.

The questions draw from the Generic Assessment Criteria (GAC) and are designed to test a range of issues requiring business orientation, application capability, presentation and persuasion and knowledge and understanding. Knowledge and understanding includes evidence of being able to use research and other reputable sources of publication and the requirement for this is sometimes an express requirement of an answer.

Overall, evidence of research and other reading was particularly low in answers. Those candidates that do include some evidence of this where requested gain credit for it, and often do better overall than others. Where research and/or reputable published sources was a requirement, rather than a request, candidates were unlikely to be awarded anything beyond a pass mark if they did not include any. Tutors may find it worthwhile to stress this point to candidates as it is something they often neglect or ignore entirely. Candidates should be aware that professional journals, authoritative web-sites (such as CIPD's) and newspapers such as the Financial Times are all acceptable. They are usually more up-to-date and allow candidates to demonstrate that they engage with a wide diversity of media. There is a lot to be gained by students making use of these sources and getting beyond the 'text book favourites'

EXAMINER'S REPORT

January 2020

SECTION A

Learning outcomes:

LO5: Globalisation and international and how they shape and impact on organisational and HR strategies and HR practices.

LO6: Demographic, social and legal regulation and how these shape and impact on organisational and HR strategies and HR practices.

There were some good answers to the case study questions. The good answers showed evidence of research, not only about subject topics, but about the IT industry, and also its global context. In task 1 Candidates who did least well offered few bullet points and some confused the internal and external environment in their treatment of the SWOT. Task 2 gave candidates the opportunity to build on their answer to Task 1, and this was explained in the rubric. However, a number of candidates ignored this; and whilst some weaker answers were unlikely to gain advantage from making the link between the tasks, others missed an opportunity that may have enhanced their response to Task 2. Task 3 was less well-informed than the other two tasks. Answers tended to be fairly simplistic and were particularly weak at having a picture of the transferred employees.

Overall, a number of candidates lost sight of two important points: that taking on the twenty five staff brought a potential new stream of business to the organisation, and that they came with highly specialised skill; there were only twenty five of them, so the likelihood of any disruption to the workforce was tiny. Now to some more specific points to each task.

1. This was a straightforward and what should have been a predicted question. For the majority of candidates this produced the strongest response; however, many did not entirely focus on ITUSA's decision to enter the specialist software market. Weaker answers displayed one or more of the following characteristics: a very brief set of issues, in some cases just two or three words for each; a narrow focus on HR/labour market issues that largely or completely ignored other business factors, e.g. products and market; repetition of points under, for example, Weaknesses and Threats; and a very unbalanced set of issues.

2. The organisational impact report focussing on the three subject headings provided an opportunity to use the SWOT analysis provided in question 1. Good answers related well to virtual teams and how these should be managed, however weak answers did not provide appropriate critical analysis. Overlap between organisational culture and values and behaviour in quite a number of cases, resulted in repetition. Several candidates did note the dangers of stereotyping by generation and balanced their argument by pointing out that Generation X characteristics might bring 'added value' to the business. Weaker answers seemed to be confused between *national* and *organisational* culture while others seemed to think that the problem with international team-working was only that Tecall staff would not know how to use the technology.

3. The final question was one that could have been anticipated. The majority of candidates were able to make some reasonable recommendations, but there was a big divide between what were quality responses that considered the actual scenario, were well justified and included research to support. Many unfortunately, made some basic low level recommendations, which didn't take account of any aspect of the target employees, and assumed that they had very little to bring to the organisation. Those that dealt competently with this task typically produced a relevant set of recommendations for the induction programme that would seek to minimise integration problems and exploit the opportunities that the introduction of ex-Tecall staff could bring to the company.

EXAMINER'S REPORT

January 2020

SECTION B

Section B assessed candidates on a broad range of subjects from the syllabus and included a selection of question formats. The questions should have proved favourable for HR students as not only was there a consistent HR focus, many questions asked about the candidates own organisation. Questions that asked candidates to compare and contrast different organisations tended to be less well answered. Most candidates used their own organisation and one other. It may be worth pointing out to candidates that, to demonstrate application ability they need to contextualise their studies by researching a range of different types of organisation. A trip round the CIPD website would be a good start.

There were quite a significant number of answers where students were not addressing all parts of a question or providing an answer to a question which they thought or hoped would be asked. Many were not comfortable completing a critical review or analysis and relied on descriptive accounts. Research evidence could have been used more effectively and sometimes there was none at all. The ability to justify points or arguments made were quite weak and candidates should note that the words 'justify your answer' are regularly featured at the end of questions. In common with many previous examinations, there was a significant bias in the questions chosen in some sub-sections – questions 1 and 4 being far less popular than their alternative. This may reflect students' lack of confidence in these topics or the extent to which they are covered by teaching centres.

Question A1

Learning outcome: LO1 Contemporary organisations and their principal environments.

This question wasn't popular and was attempted by only eight per-cent of candidates. However, of those attempts almost half achieved a merit or distinction for this question. Clearly there were some – albeit a tiny minority – who knew this subject well and could answer it thoroughly. They were able to clearly identify managerial strategies relevant to the two forms and to explain and justify their relevance to the situations. In addition, good examples were chosen. Weak answers had not grasped a basic understanding about what might drive a particular management style; nor were they able to provide justification to what they proposed.

Question A2

Learning outcome: LO1 Contemporary organisations and their principal environments.

With the majority of candidates attempting this question from the pairing there was a range of marks, and a high proportion of good answers. Most candidates were able to demonstrate an understanding of the chosen factors and provide some convincing explanation for how it had influenced organisational strategy, policy or practice. Most candidates successfully identified three external factors, however the quality of answers was dependent on their ability to analyse their influence on their own organisations. A number of those that did not achieve a pass selected internal rather than external factors.

Question B3

Learning outcome: LO2 Managerial and business environment within which HR professionals work.

By far, the more popular choice of this pair. Most were able to identify the most obvious issues associated with employee monitoring: productivity, workforce hostility, innovation and data protection. The latter point was the most common area identified as needing HR guidance in the light of the GDPR. Those that performed better were those that were able to successfully justify the guidance discussed in part (ii). A significant number of answers didn't provide research evidence and/or reputable published sources.

Question B4

Learning outcome: LO2 Managerial and business environment within which HR professionals work.

This question provides some good answers but also a number of weak attempts. Up to three ways that organisations can manage risk was appropriately identified by most candidates but in weaker answers the requirement to evaluate the organisation's approach to operational risk was not well considered. Again, there was a shortage of suitable research and/or reputable published sources. The answers to this question again highlight that evaluation, justifying, and using reputable publications to underpin the writing are the big issues that need developing for success at M level.

Question C5

Learning outcome: LO3 How organisational and HR strategies are shaped by and developed in response to internal and external environmental factors.

At risk of stating the obvious, candidates that understood HPWS tended to do well in their answer. The particular issue in a number of papers was the lack of discussion about 'bundles' or anything that indicated that the practices that make up HPWS are powerful because of the way they inter-relate, one to another. This question in particular created a significant divide between those that had learnt this concept and those that those that appeared to have no awareness. The candidates that did well on this topic were also notable for having a mix of academic sources and organisational examples in their answers, and discussion of how the practices appeared to have helped organisational performance.

Question C6

Learning outcome: LO3 How organisational and HR strategies are shaped by and developed in response to internal and external environmental factors.

There was a fairly even distribution of candidates attempting either question 5 or 6. There were some well- informed discussions in the answers. In particular good answers related well

to the context of recession, providing appropriate examples of suitable hard-line practices. Answers that did not achieve a pass typically failed to provide a clear account of the practices associated with 'hard-line' HRM and/or tended to consider 'hard' and 'soft' approaches rather than prepare a case for or against.

Question D7

Learning outcome: LO4 The market and competitive environments of organisations and how organisational leaders respond to them.

This question was less popular than question 8. There was a range of marks, from one that was outstanding, through to some who struggled to understand what was being asked. In particular, a number of those that did not pass did not appear to fully understand what is meant by privatisation as they included a number of inappropriate examples. This then led to what was inappropriate analysis, and hence were awarded a low mark. A number of answers responded to the requirement to consider what more such organisations could do. These were clearly in a position to achieve more marks as they fulfilled all that the question asked.

Question D8

Learning outcome: LO4 The market and competitive environments of organisations and how organisational leaders respond to them.

The term 'hyper competition was mostly, but not always, understood. The majority described what both organisations do to remain competitive, few provided any valid evidence to support their argument at the end of the question, whereas others did not they were referring to. consider which was more spontaneous and adaptable. Better answers did 'compare and contrast' the organisations and sought to link them to the characteristics of hyper-competition. Good answers also provided clear justification for their choice when considering which organisation was more spontaneous and adaptable.

Question E9

Learning outcome: LO7 Government policy and legal regulation and how these shape and impact on organisational and HR strategies and HR practices.

Extension to equality, flexibility and work/life balance legislation were the most popular topics here and competent reasons were given for the changes proposed. The main problem was the first part where the term 'management prerogative' was either not understood, or simply ignored. Consequently, a number of answers proposed changes to increase workers' rights that would *weaken* the right to manage. Overall, answers to this question were 'patchy'. As on previous occasions when answering a question on legislation a significant number of candidates did not accurately cite the law. Instead there was reference to (e.g.) Dismissal Law. Candidates need to take care that when they are considering new legislation, that they consider whether it is realistic, attainable and can be justified.

Question E10

Learning outcome: LO7 Government policy and legal regulation and how these shape and impact on organisational and HR strategies and HR practices.

The majority selected Trade Unions and were able to give examples either of how government can be influenced or examples of the areas that influence is applied, such as the National Minimum Wage. Only a small minority chose an organisation that was not a pressure group. Some candidates strayed away from discussing how their chosen pressure group influenced government, concentrating upon a discussion of what the group did for its members instead. Overall, answers to this question were competent.

CONCLUSION

As always, there was a wide range of marks within individual questions and across the papers as a whole. There are several reasons that can be cited, and these are well-known to you and have been said on numerous occasions. Despite all your efforts, and no doubt for a myriad of reasons, for a number of candidates, some of this advice is either lost or forgotten in the exam. Answering only part of the question and misreading the requirements of the question are both common place.

What has been striking this year, has been insufficient knowledge; sometimes in aspects of HR theory that one would normally expect candidates to have read about and understood as part of their basic HRM textbook reading. HPWS is one particular example of this. Understanding the notion of 'hard' HRM is another. There is a sense in the unsuccessful papers, that candidates are relying on *describing* concepts and theories, and live practices and the way organisations perform. In addition, candidates will always score less well where they fail to provide reputable published sources. They need to be aware that when this is expressly asked for it will have a negative impact on the mark awarded, even where other parts of the question are good.

But let's look at the positives as well. There are a number of candidates who do particularly well, and in some cases this is across the board. In other cases one can plainly see that the candidate has grasped what is needed and can hit all the GAC points as required. No doubt you can identify those of your students who read extensively and are able to put theory to practice, write persuasively and knowledgably and analyse and evaluate. Candidates with extensive work experience may need to read more and /or more widely, so they don't get stuck in 'one way' of seeing things. Candidates with a strong academic background may need to work out how concepts, ideas and theories can be applied. They may need to look much more at case study companies and hear from experienced HR professionals. Your successful candidates have clearly grasped the requirements at M level. For a substantial proportion it gets them a rightly deserved pass, for some a merit, and always there are those who submit a paper of distinction quality. Clearly there are things to celebrate, and I hope
you will take those away, as well as the points about what more some candidates need to do so that they too enjoy the status and opportunities that come from full membership of CIPD.

This report has been written in collaboration with the HRC team of Examiners. The feedback is based upon our collective experience of marking the exam papers of this cohort of

candidates. We hope it will help you in your work – often it may just re-enforce what you know about your candidates. We hope it also gives you a sense of support, and an insight to what the candidates are producing in the exam room; That it build upon past years of experience – despite the persistence of the 'old chestnuts' – and helps as you prepare the next generation of our profession for their future careers.

Dr Sue Speakman, Chief Examiner, and on behalf of the team of HRC Examiners.