

LOCATION SWANSEA

LLEOLIAD ABERTAWE

LEVEL 7

LEFEL 7

EXAMINATION PERIOD

CYFNOD ARHOLIADAU

JANUARY 2020

IONAWR 2020

MODULE TITLE: Human Resource Management in Context

MODULE CODE: BMHR7004

MOCK EXAM

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES:

A clean copy of the article (section 1) will have been provided three weeks prior to your exam. Copies previously received, whether clean or annotated should not be used in the exam.

Answer all questions in section 1.

Answer either question A or B for each question in section 2.

You should answer a total of 6 questions, 3 in section 1 and 3 in section 2. You must answer all 6 questions in order to achieve a pass.

The questions in section 1 carry a weight of 40 marks, all questions in section 2 carry an equal weighting of 20 marks, so you should plan your time to reflect this.

How is Brexit Really Affecting Talent?

By Lauren Brown, People Management, 11th July 2019

Any discussion about the impact of Brexit hinges on one crucial fact: it hasn't happened yet and we can't be sure when it actually will. As Stephen Bevan, head of HR research and development at the Institute for Employment Studies (IES), puts it: "Isolating the effects of Brexit from a range of other factors influencing the way the UK labour market is performing – such as globalisation, the growth of technology and automation, and structural changes in the economy – is a complex task."

Businesses desperately want certainty about the availability of talent, the legislation that will govern future migration, and the likely investment environment when the economy settles down again. Instead, they have already faced three years of highly unusual conditions, with more still to come.

"The effect of Brexit ebbs and flows and there's a prevailing sense that this is just the world we live in now," says Jon Boys, CIPD labour market analyst. "Brexit hasn't happened and we might just have 10 years of it not happening where we continue discussing what's going to happen."

Despite this, it is possible to define certain underlying trends that offer comfort and concern for employers in almost equal measure. The picture immediately after the referendum was bleak, with a sharp drop in the UK's net employment score and what some called a "Brexodus" of EU migrants. Nearly three years on, in the run-up to the original March 2019 deadline, business confidence plummeted to its lowest levels since 2012.

But when fears over a no-deal Brexit didn't materialise, confidence recovered. According to the TUC, it is even steadily picking up, despite a looming updated deadline of 31 October. Neil Carberry, chief executive of the Recruitment and Employment Confederation (REC), said it proved businesses believed in their own prospects and were "ready to grow if the pall of economic uncertainty is removed." This squares with the CIPD's Spring 2019 Labour Market Outlook, which suggested the net balance of employers looking to increase staff was stable or improving.

In a sense, Brexit has helped inflate employment. In uncertain times, risk-averse businesses channel capital away from investments and into hiring more people. What this means is open to interpretation. Some fear that when Brexit takes effect, the balloon will burst and redundancies may result. But Bevan points out that historically high levels of employment have been used to argue the UK labour market is resilient and can easily withstand the shock of even a no-deal Brexit.

"In many ways this is true," he says. "With unemployment at its lowest since the early 1970s, the adaptability of the UK labour market has been underpinned by the fact that – according to the OECD – we have the second least regulated labour market among developed economies and the flexibility of our jobs market has protected many British workers from the worst of the recession."

However, this intense labour market squeeze is likely to accelerate over the coming years. According to consultancy Mercer, the size of the British workforce is expected to rise by

just 820,000 by 2025, marking a dramatic slowdown from the previous decade, when almost 2 million people entered employment. This would cut the workforce growth rate from 9 per cent in the 10 years to 2015 to 2.4 per cent six years after Britain leaves the EU.

According to Bevan, as many as 710,000 of these people are likely to be required by the notoriously squeezed health and social care sector over the coming years, theoretically leaving only 110,000 for the rest of the economy.

Indeed, many employers are already reporting an inability to fill vital roles. According to the REC, 43 per cent of employers have expressed concern over sufficient availability of candidates for permanent positions. It found the three sectors causing most concern were health and social care, hospitality and engineering – all of them with a legacy of high dependency on non-UK nationals.

Declining net migration to Britain – it has been falling since June 2016 – has left business leaders concerned tighter immigration controls could compound these growing labour shortages. Latest Office for National Statistics (ONS) figures found EU migration to the UK was at its lowest level in 10 years, falling to 57,000 people in the year to September 2018.

According to Full Fact, in the year before the referendum, net EU migration was estimated at 189,000. Despite this cooling off, more people are entering than leaving the UK and scepticism has been thrown on such figures since they rely on surveys.

The Migration Advisory Committee was asked in June to reconsider the £30,000 salary threshold limit that could apply to EU migrants after Brexit, which could allay some fears about a future fight for talent.

But both candidates for prime minister have also talked tough about tackling migration. Boris Johnson has vowed to investigate an Australian-style, points-based system which would, he said, prioritise highly skilled migrants over those who “abuse” the UK’s hospitality. His backers emphasised this did not signal a move away from the government’s new immigration bill. Jeremy Hunt has said he is committed to bringing numbers down, though he conceded the target of fewer than 100,000 migrants per annum was unlikely to be met.

In the meantime, recruiters are left to make sense of the situation and help business put some sort of plans in place. Bev White, CEO of GI Group UK – which includes businesses bringing in temporary labour from the EU, as well as specialist recruiters – says that as employment levels continue to rise, organisations are becoming more flexible about attracting hires from wider segments of society. This may include ex-offenders, individuals on day release or reskilling people from declining industries or specialisms.

“Like any major shift in an economy, the challenges presented by Brexit uncertainty are dictating that recruiters must become agile in finding solutions to the current challenges and ensure that they are fully prepared for growth once the Brexit plan is in progress,” she says. The hope for all of us is that her optimism is well placed.

Answer all questions.

- 1.1 It is clear from the above article that organisations are now operating in increasingly uncertain environments and as a result need to continually appraise the factors that may threaten their survival or lead to opportunities. Many managers will use 'PESTLE' as a basis of their environmental analysis but is this a sensible choice? Please argue for or against the use of PESTLE as an environmental analysis tool (10 marks).
- 1.2 Building on some of the points raised in the article, analyse how successful organisations are navigating this 'VUCA' environment (20 marks).
- 1.3 In your opinion, how should HR operate in such conditions? Consider the structure of the function as well as possible HR strategies (10 marks).

Section 2

Answer either A or B in each section.

All answers should be justified as far as possible using appropriate theory and evidence.

To communicate your answers more clearly you may use whatever methods you wish, for example diagrams, flowcharts, bullet points; you need to provide an explanation of each.

2.1

a. Society, and as a consequence, organisations are becoming increasingly diverse. Explain the reasons for this demographic trend and suggest ways organisations should respond.

OR

b. Debate the following – ‘Organisations should replace people with technology where possible, or face not surviving at all’.

2.2

a. The closure or down-sizing of a business can have a devastating impact on the local community and economy of the area in which it is based. Which HR strategies can be deployed to help organisations weather the difficult periods and be well prepared for any return to more prosperous times?

OR

b. The fall of large companies such as ToysRUs, Maplin and Blockbuster can be attributed to a lack of innovation and failure to respond in an agile way to new opportunities and trends. To what extent is agility important to the success of all organisations, not just those in the private sector? How can HR support such a strategy?

2.3

- a. Greta Thunberg's campaigns, plastic waste, bush fires in Australia, ethical veganism as a philosophical belief – critically examine to what extent HR should be paying attention to these and similar environmental issues and topics.

OR

- b. Critically examine the impact of recent legislation on your organisation. Consider financial implications, particularly in relation to the resources needed to ensure compliance.