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Chartered Institute of Personnel and Development

**Professional Development Scheme**

**Generalist Personnel and Development**

**Employee Relations**

**November 2007**

**14 November 2007 13:50-16:00 hrs**

**Time allowed - Two hours and ten minutes**  
(including ten minutes' reading time).

**Answer Section A and SEVEN of the ten questions in Section B.**

**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 company. Any similarities to known organisations are accidental.**

**You will fail the examination if:**

- **you fail to answer seven questions in Section B and/or**
- **you achieve less than 40 per cent in any section.**

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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 essence of the case study is neither changed nor undermined in any way by what is added.**

Anthony Fairweathers plc is an old established business retailing garden furniture. It is a very competitive industry in which profit margins are tight. Cost containment and cost reduction are crucial to maintaining competitiveness. Market competition has also been increased by imports of quality garden furniture from Central and Eastern Europe.

It employs some 200 employees of which 10% comprise the management team, 15% are clerical and support staff and the remainder are production workers half of which are highly skilled. Pay and conditions reflect the norm for the sector in which Fairweathers operates. The skilled production workers are unionised as are the lesser skilled production workers. Fairweathers has consultative and information giving arrangements which on the surface seem to work well. Pay and other employment conditions for the non production employees are unilaterally determined by management. Those of the production workers are determined by collective bargaining. The company has grievance, discipline and redundancy procedures in place that comply with the law and the ACAS Code of Practice.

As the Human Resources (HR) Manager you have noticed that over the last 18 months the HR data you collect systematically indicates the overall performance level is far from satisfactory. Productivity levels are becoming a problem. Absenteeism is of real concern and the number of grievances and disciplinary cases having to be dealt with has risen noticeably. Staff turnover has also risen and is now higher than the average figure for the last five years.

Whilst Fairweathers is not in a crisis position the situation cannot be allowed to continue. The need to achieve the 'highest returns' is paramount in the market in which Fairweathers operates.

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As the HR Manager you should use your knowledge and understanding of contemporary research and current employee relations policy and practice in many other organisations to produce a plan to tackle the unacceptable overall level of performance. Your report should include all of the following:

1. **An analysis of the problem.**
2. **Possible solutions with cost- benefit analysis.**
3. **A justified recommendation.**
4. **How implementation problems will be addressed.**

*You are advised to spend equal time on each of these issues.*

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#### SECTION B

**Answer SEVEN of the ten questions in this section. 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.**

1. Your line manager has recently attended a CIPD meeting where the speaker argued that collective bargaining involves four classic features; ie parties (at least two sides), an agreed procedure governing the process of bargaining, outcomes (agreements) and the ability to impose sanctions. He has asked you to explain to him how the European Union Social Dialogue Process, which he understands is a form of collective bargaining at a European level, meets these criteria. Outline and justify what you will say in reply to his query.
2. As part of the organisation's plan to review its employee relations procedures and practices, senior management is considering introducing a more systematic approach to employee involvement and participation. You have been asked to produce a briefing paper for the senior management team explaining the likely benefits to the organisation of implementing employee involvement and participation. Drawing on contemporary research, explain and justify the content of your briefing paper.
3. You are responsible for conducting workshops for new line managers on employee relations techniques. One of the topics you have been asked to deal with is handling expressions of dissatisfaction in the workplace. Explain and justify the key areas of knowledge and skills that you would cover in your workshop.
4. You have been asked by your Chief Executive Officer (CEO) to provide a briefing note to the senior management team on how employee relations within the organisation might be affected by the Age Discrimination Regulations. The organisation currently has no policy on retirement and has heard that this might cause some difficulties. Explain, and justify the employee relations issues you would have to cover in your briefing note.
5. Your organisation has not had the need to dismiss any of its employees since it was established 15 years ago. One individual's performance, however, has become unacceptable to the Managing Director. He is determined to dismiss the individual in question and has asked you to advise him on how he ought to handle the situation. What advice would you give him and why?

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6. You are employed as head of Human Resources (HR) at an organisation employing some 750 staff which will have to be cut back drastically and will mean a 50% reduction in the size of the present workforce. You have been asked to produce a position paper for the senior management team explaining how the workforce reduction might be achieved whilst minimising any adverse impact on morale. Drawing on contemporary research and/or current organisational practice, justify what you would include in your position paper.
7. A line manager in your organisation seeks your advice on a resignation letter she has just received from a member of staff. The letter contains a series of complaints about the way the employee has been treated during their time with company. The line manager wants to know what, if anything, she should do. Drawing on appropriate evidence what advice would you give her?
8. A number of employees have cited 'stress' as the cause of absenteeism in recent months. The Managing Director (MD) has asked you, as the HR manager, to organise a briefing session for all members of the management team on 'stress in the workplace'. Outline and justify the areas you will cover in your briefing session.
9. At a recent and rather fraught meeting, with the employee representatives, the management were accused of refusing to divulge information which the representatives claimed they were entitled to have access but which the management claimed was confidential. The representatives threatened to take the matter to the Central Arbitration Committee (CAC). The MD has never heard of the CAC and asks you to explain to him what it is, what its functions are and whether he should be concerned about the threat. What will you tell him and why?
10. You work as an HR advisor to a newspaper. The editor expects his staff to maintain high standards of hygiene and comply with a smart dress code. One of the reporters suffers from body odour (commonly known as BO) and, in the editor's opinion, has a scruffy appearance. The editor has warned him on three occasions that this is unacceptable but there has been no notable change. The editor has asked you what the next step should be. Drawing on case evidence, what advice will you offer?

**END OF EXAMINATION**

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**Introduction**

A two part, eleven question examination paper was set.

Section A contained a case study which invited candidates to:

- analyse the problems the case study posed for management;
- present possible solutions to these problems and by the use of cost/benefit analysis outline the value they would add to the organisation;
- justify which of these possible solutions they would implement backed by evidence based arguments;
- consider the likely problems to be encountered in implementing the preferred solution and how these problems might be overcome.

Section B contained ten questions covering employee relations institutions, procedures, processes, outcomes, the external environment in which employee relations activities are managed and the skills required to be an effective employee relations manager. The ten questions related to practical, everyday employee relations situations and were designed to test the problem solving skills of the candidates. Candidates were invited to answer seven out of the ten questions. Every candidate sitting the examination complied with this request.

Three hundred and thirteen scripts were received from forty eight centres. These were assessed by the Chief Examiner and two assistant examiners. The former also moderated the scripts.

In assessing the performance of candidates, the examiners took into account:

- the knowledge and understanding shown by the candidates of the issues raised by the question;
- the ability of the candidates to apply, describe, and analyse management techniques;
- the application of the candidate of core general management skills (interviewing, written communications, etc) to address the employee relations issues/policies raised in the question;
- the extent to which the candidate's answer reflected a practical managerial approach, business understanding, value added, results achievement and customer focus;
- the knowledge and understanding of employee relations policy and practice in organisations other than that in which the candidate is/was employed;
- the knowledge and understanding of contemporary research published in journals (the Trade Press and academic), CIPD, Government and Government Agency publications.

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When there was doubt as to whether a candidate should be granted a pass or fail grade against the criteria set out above, the examiners applied the following professional judgement test which they use when interviewing CIPD members for employment.

*This qualification is an indication to employers that the holder of such a qualification can be reasonably expected to be aware and informed of the prevailing trends, contemporary research, organisational practice, skills and techniques and to display an acceptable level of proficiency in terms of operational skills that might be expected of a full chartered member of the CIPD.*

The distribution of the performance of the candidates was as follows:

<b>November 2007</b>		
<b>Grade</b>	<b>Number</b>	<b>Percentage of total (to 1 decimal point)</b>
Distinction	1	0.3
Merit	7	2.2
Pass	185	59.1
Marginal fail	6	1.9
Fail	114	36.4
<b>Total</b>	<b>313</b>	<b>99.9</b>

*The figures shown are simply calculations based on the number of candidates sitting the examination in November 2007, whether for the first or a subsequent time, and are for interest only. They are not to be confused with the statistics produced by CIPD headquarters, which are based on the performance of candidates sitting the examination for the first time. It is from these figures that the national average pass rates are calculated.*

The overall pass rate was 61.7% (193 candidates). The highest mark awarded to any candidate was 72 and the lowest was 10. 70% (135 candidates) who passed the examination received a mark of between 50-52% inclusive. Seven candidates failed to gain a mark of 40% in Section A whilst the corresponding figure for Section B was 47. Ten candidates received a mark of less than 40% in both Sections A and B.

The number of answers to each question and the pass rate for each was as follows:

<b>Question</b>	<b>No. of Answers</b>	<b>No Passing</b>	<b>% Pass Rate</b>
Case Study	313	209	68
1	68	27	35
2	275	193	62
3	238	88	28
4	177	95	30
5	304	224	68
6	114	286	40
7	191	285	67
8	153	249	61
9	60	155	39
10	66	133	50

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The most popular questions answered in Section B were Question 5 (dismissal), Question 2 (employee involvement) and Question 3 (employee dissatisfaction). The least popular questions were Question 1 (the conditions for collective bargaining) and Question 10 (potential dismissal).

There are still too many candidates who

- present answers in note form with no explanation of the significance of the points listed. Bullet point answers are unacceptable to the examiners. Explanation/analysis must be provided.
- fail, when specifically asked to do so by the question, to provide evidence to support the arguments they are making. For example Question 2 (employee involvement and participation), Question 6 (redundancy), Question 7 (grievance letter) and Question 10 (potential dismissal).
- display serious factual errors. This was particularly the case with Question 1 (conditions for collective bargaining) and Question 9 (the Central Arbitration Committee);
- write all they know about the subject matter of the question rather than the key issue of the question. For example in Question 6 too many candidates listed the legal obligations on employers in a redundancy situation rather than, as requested by the question, concentrate on how the impact of the proposed redundancy on the morale of the staff might be minimised;
- do not answer the question in the manner requested. For example advice to management, briefing notes, workshop for line managers, etc.

### Section A

Although two out of every three candidates passed the case study question, the quality of answers was varied.

The best outlined the problems the case study posed for management, provided options to improve productivity (improved absence management systems, improved employee involvement techniques, employee voice issues, improved management training to manage employee grievances and discipline issues more effectively, etc.) with a cost benefit analysis, stated, and justified, their preferred option to resolve the productivity problem and considered the implementation problems of their preferred option and explained how these would be overcome.

Other answers tended to have poor coherence of an overall answer and/or limited justifications for their recommended courses of action. Quite a lot of answers contained unsupported assertions about impact and performance benefits. Several candidates thought that by having a staff survey this would be sufficient incentive to the workforce to start performing better. Some answers contained the implicit assumption that the trade union



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would be willing to represent and look after the non union sections of the workforce. They seemed to see the union as being there to added value to management rather than being recognised as the employee collective with its own legitimate objectives.

## **Section B**

### **Question 1**

Too many candidates simply explained the social dialogue process rather than relate it to the conditions necessary for collective bargaining. These are

- partners/players
- agreed procedure whereby the parties relate to each other – consultation and the negotiation of framework agreements
- outcomes – a substantive collective agreement (framework agreements)
- the existence of sanctions designed to change the attitude/position of the parties/players

In the social dialogue process, the sanction is that if the parties do not make their own voluntary agreement, then the EU Commission will bring forward its own proposals over which the parties will have no influence. Some candidates even got the description of the social dialogue process wrong. Others wrongly said the sanction was that the parties could complain to the European Court of Justice.

### **Question 2**

Candidates were good at explaining the benefits that can accrue to an organisation from implementing employee involvement and participation. Many candidates, however, failed to tell the examiners the main forms of involvement and participation - task and work group, financial participation and representative participation (information and consultation).

With respect to the invitation to draw on contemporary research, candidates mentioned only Ramsay, Marchington & Purcell. Beaumont & Hunter, Walton & Wilkinson never got a mention. A significant number of candidates talked about engaging more with their workforce but failed to explain the concept of 'engagement' and how, if at all, it is different than involvement and participation.

### **Question 3**

This was badly answered. Many candidates seemed unaware that employee dissatisfaction is the result of management behaviour. Some answers brought in the psychological contract but did not explain what it is, nor its relevance to the question. It was disappointing that few candidates said the knowledge to which they would refer would include:

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- what a grievance is
- the importance of the grievance procedure in ensuring consistent and fair treatment of employees
- the minimum three step procedure

The main problem with the answers to the question, however, was that most candidates did not answer the skills part of the question, and if they did they simply listed the skills (interviewing, listening, etc) and did not explain the significance of management being competent in these skills.

**Question 4**

Answers were good on the content of the Regulations. Most candidates rightly pointed out that employee grievances were likely to arise over the age of retirement but did not explain the importance and content of management developing policies and procedures in these areas.

**Question 5**

This question was well answered. The vast majority of answers explained they would advise the manager in the first instance to counsel the employee – why is performance unacceptable, employee be given a chance to improve and to become an effective employee again. However, only a few of the answers went on to explain what action they would take if the envisaged improvement did not take place (that is, initiate the disciplinary procedure).

**Question 6**

Too many candidates wrote all they knew about handling a redundancy. This was not the question. The key aspect of the question was how to maintain staff morale whilst reducing the workforce by half. This required the candidates to demonstrate they understand the importance of meaningful consultation with the workforce. This involves

- explaining to the workforce how the redundancy will be handled
- giving the employees time to respond to these proposals
- giving careful consideration to the employees' views and explaining fully management's response to the employees' views
- management must not have made up its mind as to how the redundancy will be managed

The vast majority of answers seemed blissfully unaware of the concept of meaningful consultation.

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**Question 7**

Candidates demonstrated they were aware that this question was about a grievance situation. Most of the answers explained how they would handle the complaints letter. In doing this, however, many answers did not say what they would do if their investigation into the complaints found them not to be genuine.

**Question 8**

The majority of candidates answering this question rightly argued their briefing session would cover:

- what is stress?
- what briefly is the legal situation?
- what are the causes of stress?
- what steps can an employer take to redress stress? (for example, bullying and harassment codes, complaints procedure, clear company policy statement on the issue).

The weaker answers concentrated too much on the causes of stress, to the exclusion of adequate consideration of measures management can introduce to reduce stress amongst its workforce.

**Question 9**

This was a badly answered question. The examiners were surprised that many answering this question were unaware of the CAC's role in union recognition claims. Some answers confused the functions of the CAC with those of ACAS. The candidates did not realise that the CAC is involved in unilateral compulsory arbitration. One side can take the other to the CAC without their consent. A CAC decision has the force of law.

Many candidates failed to make the point that the MD should be concerned that, if the dispute over the disclosure of information is not dealt with by a voluntary agreement between the parties, then the matter could go to the CAC and the employer lose control over the possible outcome.

**Question 10**

Candidates demonstrated they understood they were being asked to explain how they would manage a potential dismissal situation. They did not, however, go on to raise issues such as:

- Does the employer have just cause to complain about the employee's behaviour? Was he aware of the dress code?
- Is the employer behaving in a fair, reasonable and consistent manner?
- Has the employee been warned about their behaviour?

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- Have they been told what they must do to meet the dress code standards the employer requires?
- Does the organisation have a discipline procedure?

Candidates did not draw, as required by the question, on appropriate evidence. This question was based on an actual case in which the editor's actions were upheld by the employment tribunal.

**Professor John Gennard**  
Chief Examiner