Chartered Institute of Personnel and Development

Advanced Level Qualification

Leading Managing and Developing People

September 2012

28 September 2012   09:50 –13:00 hrs

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

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

Please write clearly and legibly.

Questions may be answered in any order.

Equal marks are allocated to each section of the paper.
Within Section B equal marks are allocated to each question.

If a question includes reference to 'your organisation', this may be interpreted as covering any organisation with which you are familiar.

The case study is not based on an actual organisation. Any similarities to known organisations are accidental.

You will fail the examination if:

- You fail to answer five questions in Section B (one per subsection) and/or
- You achieve less than 40 per cent in either Section A or Section B.

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ADVANCED LEVEL EXAMINATIONS

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SECTION A – Case Study

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

AdminCo is a newly created organisation which will take the form of a Public Private Partnership (PPP). It has been established and is jointly owned by four neighbouring local authorities. The intention is that AdminCo will assume responsibility for the management of all claims made for benefits by people living in the vicinity which are currently administered through local councils. The major examples are housing benefit, council tax benefit, free school meals and school clothing grants.

At present each of the four local authorities administers these benefits payments separately. Small teams of staff in each location are responsible for advising people about how to complete their forms, while others process the claims once they arrive. The majority of claimants currently complete the documentation by hand, having either picked up blank forms in person or downloaded them from council websites. A total of 325 staff are currently engaged in these areas of work across all four authorities.

The aim now is to merge all these activities through the establishment of AdminCo. In the process very extensive efficiency savings will be achievable. Economies of scale, combined with systems that encourage people to submit their claims electronically will mean that the total workload will be completed by just 200 staff. The majority of these people will work in a single contact centre operation where they will both deal with enquiries from claimants and also process the claims.

While AdminCo is wholly owned by the four local authorities, it will be expected to run itself along competitive, private sector lines. It will be given a five year contract to undertake the work, after which it will be required to compete with other potential providers to retain the contract in the future. Performance targets have been set and will have to be met, while the company will also be expected to turn a profit. Over time there will be potential for it to bid for contracts from other organisations, while the possibility is being left open by the owning authorities to sell it as a going concern to a larger private sector conglomerate.

A senior management team for AdminCo is currently being recruited through open competition. It is thought likely that most will have extensive private sector experience. The staff and supervisory teams, by contrast, will all be made up of people who currently work for the local authorities carrying out the work that is going to be transferred. Most have been employed in these roles for several years. It is intended that their contracts will transfer along with them and their work later in the year. All will re-locate to AdminCo's new premises which is around ten miles from the nearest existing local authority workplace. While individual contractual rights will be preserved, AdminCo will be free to develop its own HR policies and practices without interference from local authority management.

As fewer people will be required by AdminCo, redundancies are inevitable. Managers at AdminCo will be responsible for deciding who they wish to employ and by extention who will

be made redundant, but the costs of severance payments will all be borne by the local authorities.

You work for a firm of consultants that has been hired to advise the local authorities and the newly appointed AdminCo managers about HR matters during the coming period of transition. Your brief is to advise them about how this should best be handled in order that the new arrangement can be put in place as smoothly and cost effectively as possible.

1. **Drawing on research and your own experience, what general advice would you give to managers at AdminCo and the four local authorities about how they should handle the HRM and HRD aspects of the coming change process?**

2. **How would you advise them to go about reducing the headcount from 350 to 200? Justify your answer.**

3. **In the longer term, what particular HR issues are likely to arise at AdminCo, given that most of its staff will have transferred from public sector organisations into a private sector company? What could be done to anticipate and overcome these?**

It is recommended that you spend an equal amount of time on each of the above tasks.

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SECTION B

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

A

1. Recent research published by the Equality and Human Rights Commission (EHRC) focused on employment rates among different groups in the UK. It found that disabled people are only half as likely as non-disabled people to be in full time employment and that unemployment rates are particularly high among younger people who have a disability.

    However, the research also found that employment rates vary hugely between people with different types of disability. They are as high as for non-disabled people in the case of those who suffer from diabetes, allergies, skin complaints and chest conditions. But they are very much lower in the case of those who suffer from depression and learning difficulties. Here the gap between employment rates for disabled and non-disabled people is now considerably greater than it was 20 years ago.

    i.   Why have employment prospects for younger people with disabilities and for people with depression and learning difficulties deteriorated so much in recent decades?

    ii. To what extent do you agree with the view that the trend can only be reversed as a result of co-ordinated action between government and employers? Justify your answer.

OR

2. A recently published CIPD research report ('From e-learning to gameful employment') argues that e-learning is soon likely to dominate the field of employee development. Key contemporary developments include the evolution of smart phones, microblogging, cloud computing and gaming technologies. However, researchers also found that only a minority of HRD specialists were aware of the potential offered by these technologies.

    i.   In what ways can evolving technologies such as these be used by organisations to enhance their employees' learning experiences. Illustrate your answer with practical examples.

    ii. What relevance might these technologies have for HRD in your organisation?

B

3. It is often argued that in order to maximise employee commitment, employers must take steps to develop and foster a positive psychological contract. Moreover, once established, it is important that they do not breach the psychological contract.

    i.   What is a 'positive psychological contract'? How does it differ from a contract of employment?

    ii. Drawing on your own experience and reading, explain in what circumstances a psychological contract can be breached by an employer. What are the practical consequences?

OR

4. Many HRM theorists have voiced scepticism about the concept of employee engagement. They suggest that current interest in engagement will turn out to be no more than a 'passing fad' and that engagement in the context of employment is simply a re-labelling of other well-established concepts such as 'motivation' and 'job satisfaction'.

    i.   Drawing on published research, set out how the term 'engagement' can be differentiated from 'motivation' and 'job satisfaction'.

    ii. To what extent do you agree that contemporary interest in 'employee engagement' is likely to fade in the near future? Justify your answer.

C

5. Soon after being elected, former Prime Minister Margaret Thatcher was asked in a radio interview what qualities she looked for when appointing senior ministers. She replied as follows:

    'Well a number of things. First you look for creative ideas. Secondly you must have a person who is prepared to work jolly hard and drop everything at a moment's notice if required. Thirdly they have to be capable of being a member of a team, because little of value can be achieved without combining with others. And finally, these days, they must also be very good communicators.'

    i.   How far do you agree that these four qualities are essential if a senior manager in any field is to be successful? Draw on your own experience of working for senior managers when justifying your answer.

    ii.   What further qualities might you add to this list and why?

    OR

6. In recent years there has been increased interest in the concept of 'authentic leadership' and an acceptance of the view that authentic leaders are among the most effective.

    i.   How would you define the term 'authentic leadership'? In practical terms, how does it differ from the leadership styles that have commonly been prevalent in organisations in recent decades?

    ii.   To what extent can organisations take steps to help ensure that they develop authentic leaders?

D

7. The influential American management writer and consultant W Edwards Deming was a prominent critic of performance-related pay schemes. Using colourful language to stress his key points he said this about them:

    'They leave people bitter, crushed, bruised, battered, desolate, despondent, dejected, feeling inferior, some even depressed, unfit for work for weeks after receipt of rating, unable to comprehend why they are inferior. They are unfair, as they ascribe to the people in a group differences that may be caused totally by the system they work in.'

    To what extent do you agree with this point of view and why?

OR

8. Assessment centres have been described as the 'Rolls Royce' of selection methods.

    i.   Explain what the term 'assessment centre' means, setting out the types of activity that are often included and their purpose.

    ii. What are the major advantages and disadvantages associated with the use of assessment centres as a selection tool?

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E

9. As part of Corporate Social Responsibility (CSR) programmes, some employers now offer their staff the opportunity to take two or three 'CSR days' each year in addition to their paid holiday entitlement. These must be used to participate in projects sponsored by the organisation.

   Assume that you have been asked to write a briefing paper for your senior management team focusing on the possible introduction of a 'CSR days' scheme in your organisation.

   i.   Explain what kinds of activity employees might engage in on their CSR days. What steps could be taken to encourage participation?

   ii. Set out the benefits your organisation could expect to gain from the introduction of the scheme.

OR

10. Recent research suggests that low-level bullying in the workplace is becoming an increasingly significant issue, with over 20% of employees having experienced it in one form or another.

   i.   How would you define the term 'low-level bullying' in the context of employment and the workplace? Illustrate your answer with examples.

   ii. What steps can HR professionals take in order to eliminate bullying from their organisations?

END OF EXAMINATION

ADVANCED LEVEL EXAMINATIONS

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EXAMINER'S REPORT

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Introduction

186 candidates sat the Leading Managing and Developing People paper this September. The final pass mark achieved by this cohort was 77% - the highest so far in the relatively short life of this exam. The proportion of merit and distinction grades was also very pleasing.

The breakdown of grades was as follows:

September 2012		
Grade	**Number**	**Percentage of total**
Distinction	8	4
Merit	33	17
Pass	108	56
Marginal fail	22	11
Fail	25	12
Total	**196**	**100**

The papers were marked and moderated by myself, Krystal Wilkinson, Gail Swift, Elisabeth Wilson and Claire Roberts.

The marking process was very straightforward this time. There were no major problems associated with the interpretation of questions, and with one exception (Section B, Question 1), good numbers of candidates attempted all the questions on the paper. The Case Study posed few difficulties for the vast majority.

Fails, as is always the case, were in the main due to a failure to give a full, direct and well informed answer to the question asked. Some candidates also remain very poor at justifying points that they make.

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Section A

Learning outcomes: 4 and 6

The case study concerned the establishment of a public-private partnership which would require some changes of duties, the merging of existing teams of staff and a good number of redundancies. While not based on any single reported case, the situation described was one which is very typical of the types of development currently being implemented in different parts of the public sector.

Task 1

It was important that published literature was cited here, most students demonstrating familiarity with change models such as those of Lewin, Rogers, Kotter and the CIPD, all of which are widely discussed in texts on change management. The best answers included an element of critique of these models based either on personal experience or on more recent research on change which stresses its political nature. Most correctly wrote of the need to plan the change process clearly, to communicate regularly and effectively, to consult and involve employee representatives, to take full account of legal requirements and to ensure that everyone is fully trained to take on their new roles. The best answers addressed the particular difficulties associated with merging groups who were previously employed in four distinct local authorities, arguing that the need for openness and fair dealing is thus particularly acute in this case. The most common way in which marks were lost here was a failure to deal properly with the HRD aspects of the question. Some students were strong on HRM, but had nothing to say about training of staff or managers ahead of the new organisation's launch.

Task 2

This was the part of Section A that people struggled with most, although a good majority nonetheless managed to put together a competent answer. A variety of approaches could be advocated with justification. Some candidates simply gave a standard account of best practice, finding it hard apparently to tailor their advice to the requirements of the particular case. Some, for example, took no account at all of the need to achieve a cost effective change, instead recommending highly expensive approaches (for example, enhanced severance packages, expensive forms of voluntary redundancy, employment of outplacement consultants etc).

By contrast, the best answers correctly argued that the requirement to hire from four separate legacy authorities meant that a job application approach was most appropriate as a means of reducing headcount. They thus recommended drawing up an organisation chart along with job descriptions and person specifications, before inviting applications from among the existing staff carrying out the work that is to be transferred. A fair, open, competency-based selection process was then recommended, those who were not selected being made redundant. Some, however, made a reasonable case for other approaches based on a score sheet/matrix system of redundancy selection and were rewarded with

marks. As always the quality of the justification was what really mattered when it came to awarding marks here.

The weakest answers rather sidestepped the question of how to reduce headcount, focusing instead on ways of avoiding compulsory redundancies through severance packages and redeployments. Some argued that it could all be done voluntarily, which given the numbers was not really realistic and failed to convince.

Task 3

This was answered in many ways, but most focused on prevailing differences between workplace cultures in private and public sectors. Differences of HR tradition and policy were also cited. The better answers demonstrated awareness of the likely involvement of trade unions and the need for the assimilation process to be handled carefully by AdminCo's managers. The key problems here are likely to derive from the need to intensify work in order to achieve productivity and profit targets. The need is thus for involvement of staff, incentives and sensitive direct line management. There is also a potential role for flexible working practices and benefits as a means of engaging and retaining staff over the longer term, securing buy-in and developing a sense of shared purpose. Organisation design is also important so as to ensure that there are adequate promotion and career development opportunities for people in the future. All of these points were made, and others too. What mattered was that a credible set of points were made around which practical HR prescriptions were advanced and justified. Some resolutely refused to do this. Simply stating, for example, that involvement of staff is necessary, without explaining why is not enough. Students must justify their recommendations in order to score high marks.

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Section B

The ten questions in Section B were focused on the five learning outcomes that were not covered in Section A, two questions relating to each learning outcome. Candidates are required to choose five, including one on each learning outcome. As is always the case, some questions proved to be much more popular choices than others, but here all except the first were answered by a reasonably good number.

Question 1

Learning outcome: 1

In retrospect I think it was a mistake to include this question, important though the issues it raises may be. It clearly failed to attract the vast majority of candidates, many put off perhaps by its apparently specialist content. In fact the answers we did get were pretty good, demonstrating that the question was not perhaps as forbidding in practice as it might have seemed at first sight.

Youth unemployment rates have increased generally over the past ten years. This is a trend that pre-dates the recent recession and is pronounced across the industrialised world. The impact on younger disabled people is thus particularly strong. It is partly thought to be due to employers seeking 'skills and experience' when employing people, and partly to the lack of a strong work ethic among some groups of younger people/the availability of benefits. The falling employment rate for those with mental as opposed to physical disabilities reflects the changing nature of the work that we do. Globalisation has led to declining numbers of lower-skilled jobs, knowledge-work becoming ever more dominant. Those without educational qualifications have tended to lose out, and people with mental disabilities are much more likely to lack a higher level education.

Views differed as far as Part two was concerned. Some argued that improving education is the key and that this is not the job of employers, but most agreed with the proposal. The best answers developed points about apprenticeships and other government-sponsored development programmes, day release to attend college, and other initiatives that make it possible for employers to provide developmental opportunities for disabled people.

Question 2

Learning outcome: 1

Well over 90% of the candidates opted for this question, most of whom produced solid and competent answers to both the parts. The question was phrased so as to allow students to discuss technologies that are not specifically mentioned in the preamble, and credit was given when they did so convincingly. The points made in the research report relate to the capacity of people to access high quality, sophisticated learning applications through smart phones, the capacity of clouds to enable staff to access large amounts of data remotely, the use of micoblogging platforms such as Twitter in collaborative learning and knowledge exchange and the huge potential for the use of gaming technologies (particularly high quality

and complex simulations) to enhance the effectiveness of the learning experience. Most cited these points or others that were similar, often drawing on personal experience to justify points. Answers to Part two needed to be organisation-specific in order to attract high marks. What mattered here was that a convincing business case was advanced which outlined likely return on investment credibly.

Question 3

Learning outcome: 2

This was a very straightforward question for anyone who is familiar with basic research about psychological contracts. The need to differentiate psychological contracts from legal employment contracts confused only a small minority. The key point to make when answering Part one was that a contract is about reciprocity and expectations. Both sides have expectations of the other. A positive psychological contract underpins a high-trust employment relationship. Both sides have clear expectations and these are met on an on-going basis. A highly committed workforce will be the outcome. A contract of employment is also about reciprocity and expectations, but here the content is 'hard' rather than 'soft' and can be enforced in court (that is: hours, pay, holiday entitlement etc). Most candidates were fine here, although some only described 'a psychological contract', avoiding the need to define 'positive psychological contracts.'

Part two required an understanding that breaches occur when expectations given are not met by an employer. They typically happens with the introduction of change and with the arrival of new personnel. If change is imposed and not negotiated the resulting breach can lead rapidly to reduced commitment and effort.

Question 4

Learning outcome: 2

Answers to questions on past papers have demonstrated that students are interested in the way in which the term 'employee engagement' can and should be defined, so it was interesting to see how they approached a question on that topic. Most did so very effectively, although we were disappointed with how few cited published research such as the Macleod Report or recent CIPD research on engagement which differentiates it from 'commitment' and 'satisfaction'. Most nonetheless argued convincingly that a motivated or satisfied employee may not also be engaged, because engagement is about behaviour. People demonstrate engagement (or disengagement) through their actions, typically by working beyond contract, putting in discretionary effort and embracing (in an active sense) an organisation's values.

Views differed on the likely longevity of the current interest in employee engagement as did the quality of the justifications that were made. Most argued that it will remain at the top of the management agenda, but that it may become less prominent over time. A simple case based on the impact of high engagement was usually given by way of justification, the better answers quoting research studies that back up this case.

Question 5

Learning outcome: 3

Most agreed that the four qualities listed by Margaret Thatcher are essential for senior managers, although some debated the necessity for the hard work in favour of some thinking about work-life balance and its role in improving decision-making. The best candidates then went on to illustrate the importance of all four points with credible examples from their own experience in justifying the points they made. A large minority, however, simply failed to do this at all, or even to attempt to do so. There were many potential additions that could be included in answer to Part two. Most focused on delegation, adaptability and, particularly, emotional intelligence. As always, those who justified their points most convincingly scored the highest marks.

Question 6

Learning outcome: 3

This proved less popular than Question 4, possibly because it offered less scope for the development of original arguments. Those who did attempt it tended to have strong views and did well.

There are several definitions, but all are associated with an emphasis on honesty, integrity, fair-dealing, openness, high standards of ethics and the development of high-trust, genuine relationships with followers. Authentic leadership is the antithesis of the kind of 'macho-management' styles of leadership that have become fashionable in some quarters in recent decades. It is associated with more delegation and collective decision-making, the dispersal of power and preparedness to explain decisions to employees.

The question of whether or not these qualities can be developed, or whether it is really a question of picking different types of people to take on leadership roles is always an interesting one. The debate taps into trait theories and arguments about how far effective leaders are either made or born. Here, most argued that steps can be taken and gave some examples from MD practice (role models, codes of ethics, mentoring etc) to justify their answers.

Question 7

Leaning outcome: 5

Performance Related Pay (PRP) is by some distance the most controversial issue in the field of reward management and it would be expected that students will be able to articulate and justify a basic position on its use. Most did so admirably.

The major benefits associated with it relate to the recruitment and retention of superior performers, incentives to perform better and work harder, improved management control and basic principles of fairness. The apparent disadvantages relate to perceived unfairness in the manner it is administrated, a tendency for most people to perceive themselves as better

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performers than their managers do and the capacity of PRP to undermine teamwork. Many students sought to give a balanced view, arguing that it is not appropriate in all organisations, but is in some and for some types of staff. The more sophisticated and convincing the arguments made, the higher the marks.

Question 8

Leaning outcome: 5

A majority of candidates attempted this, most picking up plenty of marks in the process. Only on the question of costs were we disappointed with the answers, too few appreciating the extent of the expense associated with effective assessment centres (AC)s.

The majority explained that assessment centres are events which take place over 1-3 days in which a group of candidates are brought together and put through a variety of selection tests and exercises. The aim is to assess them against various competencies with a view to selecting the best person/people for the role. They are mainly, but not exclusively, used in the selection of managerial staff. ACs typically consist of interviews, group exercises, in-tray-type tests, psychometric tests, role-plays and work samples exercises (such as presentations).

They went on to argue that the main advantage is their apparent capacity to predict future performance more accurately than other selection methods, although the research is unclear about exactly how this happens. They also have a high degree of face validity, which means that candidates perceive them as being fair.

The disadvantages are the costs (which are huge if they are run professionally) and the fact that some potentially good candidates may be put off from participating due to time constraints or simply a lack of very strong initial interest in taking on the job. This is particularly true of potential candidates for the most senior positions.

Question 9

Learning outcome: 7

This was attempted by a good majority of candidates, often with apparent enthusiasm and originality.

The key here was that answers to Part one must relate to projects sponsored by the organisation. Answers should not therefore have dealt in more general terms with charitable activities, but with those which are organised centrally. The potential scope is wide, covering environmental, welfare, education and community-based projects. A variety of incentives can be cited as means of encouraging participation – prizes, recognition, coverage in appraisals etc.

Part two was very straight forward, most marks being awarded to students who were best able to articulate a variety of different benefits. The best answers covered both HR-oriented

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benefits (reduced absence, lower staff turnover, higher levels of engagement etc) and wider business-based benefits relating to corporate reputation and PR.

Question 10

Learning outcome: 7

Bullying is easy to define when it is striking and severe, but 'low level bullying' is harder to distinguish from behaviours which are considered acceptable because they are commonplace. Most published work in the field includes all behaviours which are malicious, offensive and insulting in nature and intended to undermine, humiliate, denigrate or injure someone. The clearer and better defined the points made here, the higher the marks awarded. It was also important that good examples were provided to illustrate the points made.

HR initiatives aimed at the elimination of bullying tend to start with written policy statements which advocate zero-tolerance and the intention to take disciplinary action. Often allied to harassment policies, they are then communicated widely, and periodically reinforced. They are included in management training activities and are communicated strongly at induction. All these points were made effectively by candidates, some of whom drew on their own organisational policy when developing points. Justifying these was not always so effective, however.

General observations

Overall these papers were a pleasure to mark because the standard of answers was reasonably high. Justification remains an issue for tutors to flag up to students, as it can sometimes be a bit half hearted and unconvincing, but by and large this cohort did well. On the whole congratulations are due all round. A cohort of well-taught and well-prepared candidates performed very creditably.

Stephen Taylor
Cnief examiiner