



ICM

MARCH 2017

PEOPLE IN ORGANISATIONS – PRE-ISSUED CASE STUDY & GUIDELINES

Important notes for candidates regarding the pre-issued case study

The case study is designed to assess knowledge and understanding of the People in Organisations syllabus in the context of the relevant case study. The examiners will be marking candidates' scripts only on the basis of the questions that have been set. Candidates are advised to pay particular attention to the mark allocation on the examination paper and to plan their time accordingly.

Candidates should acquaint themselves thoroughly with the case study and be prepared to follow closely the instructions given to them on the examination day. Candidates are advised not to waste valuable time collecting unnecessary data. The cases are based upon real-life situations and all the information about the chosen organisation is contained within the case study.

As this case represents a real-life situation, anomalies may be found in the information you have before you. Therefore, please state any assumptions you make that are reasonable when answering the questions. Remember, you are going to be tested on your overall understanding of the case issues and your ability to answer the questions that are set in the examination.

In order to prepare for the examination, candidates will need to carry out a detailed analysis of the case material ahead of the examination. Candidates have sufficient time during the examination to answer all the questions, but this means that detailed analysis has taken place before commencing the examination. The examiners are looking for clear evidence that candidates have a good understanding of the case and can use the relevant course ideas from the syllabus to answer the questions.

The copying of pre-prepared 'group' answers, including those written by other third parties, is strictly forbidden and will be penalised. Thus, questions will demand analysis in the examination itself and individually composed answers are required in order to pass.

Candidates are only allowed to take up to two pages (four sides) of A4 notes into the examination room. These notes should be attached to the answer script at the end of the examination and returned.

A copy of the pre-issued case study material will be available in the examination. Candidates are NOT permitted to take into the examination the downloaded case study or any other notes. Candidates should not attach any other additional information in any format to their answer script. Any attempt to introduce such additional material will result in the candidate's paper being declared null and void.

The examination will be for **THREE HOURS** and will consist of **TWO** parts.

Part A comprises **FOUR** compulsory short answer general questions and is worth **40%** of the final mark. **These questions are not specifically related to the case study.** It is recommended that you spend approximately **ONE HOUR** on Part A.

Part B comprises **THREE** compulsory questions related to the pre-issued case study that you will have analysed before entering the examination room. This part is worth **60%** of the final mark. It is recommended that you spend approximately **TWO HOURS** on Part B, which includes planning and checking your answers.



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PEOPLE IN ORGANISATIONS CASE STUDY – BACKGROUND TO THE CHANGE

For the past 30 years Arthur Smith has been the Managing Director with his wife of a Ford car dealership located in the South of England in the small market town of Ringway. Arthur also employs his nephews Jack and Simon in the business on the car sales side of the business. The dealership also has a Service Centre led by Jack's wife Kate. There are a further 15 technical and support staff, of which four are part-time only. As this is the only Ford dealership for some 30 miles radius, Arthur has been successful in building up a regular clientele of local customers who have bought cars from him for many years. The revenue stream from new and second-hand cars is healthy, and the service department also keeps in touch with local customers providing after-sales service.

Arthur has been in the motor trade for some 30 years, and has one child named Jason. Arthur's wife thinks it is time to sell the business so that they can travel more in the future. Arthur would like to keep the business within the family and Arthur has been in discussions with Jason to see if he is interested in taking on the business. Jason has been working in Dubai for the past ten years where he had set up his own small business venture as a personal fitness instructor. However, over the past twelve months Jason has been concerned with the stiff competition that he is facing in the Dubai fitness market and has decided to think about the offer Arthur has made about taking over the business.

Over the next few months Jason decides that the time is right to sell his fitness business and return to the UK and move into the MD role in Ringway. Over the next few weeks Arthur prepares with his solicitor the transference of the business to Jason. Arthur, however, has made it a provision of the transference that all existing staff of the business are retained and that no redundancies are to be made if at all possible. Jason is happy with this arrangement as he feels he needs all the help he can get in order to understand the motor trade he is about to immerse himself in. Arthur has agreed to work with Jason for a couple of months to support and help him understand how the business works. Jason is keen to get immersed in the day-to-day activities of the business and feels that his own experiences in Dubai will be useful.

Six months later

Waking one morning Jason sits up in bed having had a sleepless night yet again worrying about the business. He has plans to make the dealership more efficient and to expand the dealership to the neighbouring towns of Woodbridge and Bruxton which are 50 miles away. The problem, however, is the way the current dealership has been managed. Arthur had put his own stamp on the business over the past 30 years and his style of management is quite different to the way Jason likes to operate. Arthur liked the contact with people and was a very effective salesperson that had grown up with many of his customers. Jason, on the other hand, wanted to be more dynamic by increasing the amount of business in the sales and service departments. Jason thought that currently these two departments were under-performing and had got used to Arthur's 'laid-back' style. If the plans for expansion are to be met, revenue needed to be increased. Jason had planned to invest some of the money he had gained from the sale of his Dubai interests, but needed the business to do more trade if this was to take place.

Jason decided to arrange a meeting with the key sales and service staff to communicate his intentions, which he felt would prove useful and would allow him to get some feedback on his proposals.

After the meeting, Kate, Jack and Simon are not happy with the proposals that have been outlined to them in the meeting. They were not happy that these proposals had not been mentioned to them before the meeting and that an 'efficiency drive' is not something that can be easily achieved. Both departments are working as efficiently as they can given the resources at their disposal. The workshops are housed in an old building that needs to be updated and extended if additional business is to be achieved. On the car sales side there is little room to display many new vehicles and a new showroom was proposed but shelved by Arthur some months ago.

Kate, Jack and Simon go off to lunch at a local public house to consider the points raised by Jason at the meeting. Kate states, "I am livid, how dare he take that attitude with us. He arrives here with no experience of the motor trade, hardly communicates his intentions to anyone, and thinks he can rearrange how the departments are run."

continued overleaf

Simon and Jack agree that they must have a meeting urgently with Jason to discuss their concerns over the way he plans to change the business. They agree that expanding the business is a good idea, but that trying to achieve efficiency savings given the current state of the buildings on site is virtually impossible.

That evening in the pub Kate, Jack and Simon meet to discuss the meeting they had with Jason that afternoon.

“Well that was a waste of time. He (Jason) was not really interested in our concerns for how we were unable to improve the efficiency of the sales and service departments given the current state of the buildings on site.” remarks Jack. They all agree that there is a great deal of unrest in the business over the proposed changes and expansion plans. Kate says, “He is not really listening to us as he is totally focused on his expansion plans which he thinks will be achieved through changes to the business. I have heard rumours that some staff in the service department are thinking about their futures and I am afraid that they may soon be looking elsewhere if this is not settled soon.”

Over the next few months staff motivation is clearly suffering as Kate and Jason have a verbal spat in the service department reception over overtime payments to mechanics. The atmosphere of the business had changed according to the sales staff. Since Arthur retired, the business has changed beyond all recognition. What was once a happy place to work is now a place where people are unmotivated and unhappy with the changes forced on them by Jason.

Even Jason has recognised the effects of his proposals on the business. He had great plans for the future of the business but these are now on hold because of the resistance that he is facing from the staff.