

New
Specification



Rewarding Learning
ADVANCED SUBSIDIARY (AS)
General Certificate of Education
2024

Professional Business Services

Assessment Unit AS 2
assessing
Human Resource Services

[SPS21]

VALID FROM SEPTEMBER 2023 TO JUNE 2026

**INTERNAL
ASSESSMENT**

As a Professional Business Services Consultant, you have been asked to produce a report for Carters Ltd. Read the Client Brief and use the information to produce your report following this structure:

Heading	Description and Requirements	Guide Word Count	Total Marks Available
Report	<ul style="list-style-type: none"> Structured as required. Completed with appropriate recommendations including appendices, references and bibliography. 		6
Executive Summary	<ul style="list-style-type: none"> Logical and concise summary of the whole report. Include an overview of your examination of the issues and concerns raised by the management of Carters Ltd in the Client Brief. 		12
Introduction	<ul style="list-style-type: none"> Providing a clear aim and relevant background information about the client organisation and context for the report. 	600	16
Research Methods	<ul style="list-style-type: none"> Describing the research objectives. Describing and justifying the research methods used (primary and secondary as appropriate). <i>Note: examples of acceptable primary research would include questionnaires and interviews which must be relevant to the context and issues raised in the case study.</i> 	600	12
Analysis and Discussion of Findings	<ul style="list-style-type: none"> Using a variety of formats, present research findings. Analysing and discussing the findings, drawing together primary and secondary evidence as appropriate. Evaluating research methods used. Including a clear discussion and analysis of your findings, supported by relevant knowledge, theory and concepts. 	2600	30
Conclusions and Recommendations	<ul style="list-style-type: none"> Reviewing the original research objectives and drawing key findings together. Making recommendations for improvement supported by research evidence and relevant theory and concepts. Summarise your analysis to reach a conclusion and make recommendations to the management of Carters Ltd as to how they could achieve the goals stated in the Client Brief. 	2200	24

Bibliography	<ul style="list-style-type: none"> Acknowledging and itemising references in the report using the Harvard referencing system. 	No limit	
Appendices	<ul style="list-style-type: none"> Including any evidence of primary research tools used, for example interview schedules, questionnaires and/or letters written or received. 	No limit	
The quality of written communication is assessed in this report.		Total Marks Available	100
<p>Students should write and present their reports as follows:</p> <ul style="list-style-type: none"> in the third person and passive voice; in 12 point font; using 1.5 line spacing; on one side of each A4 sheet; with numbered pages; and secured in a flat clear-fronted A4 report folder. <p>As a guide, the report should be 5000 to 6000 words, excluding the Executive Summary, Appendices and referencing of secondary sources.</p>			

In your report you should:

- Examine the issues and concerns raised by the management of Carters Ltd in the Client Brief.
- Demonstrate the use of a range of appropriate research methods to investigate solutions to the issues and concerns raised by Carters Ltd.
- Present a clear discussion and analysis of your findings, using relevant knowledge, theory and concepts to support your discussion.
- Draw conclusions from your findings and make recommendations to the management of Carters Ltd as to how they could address the issues raised in the Client Brief.

Client Brief

Date: 30 September 2023
Company: Carters Ltd
Project Name: Human Resource/Carters Ltd/23
Client Name: Carters Ltd

1.0 Background

Carters Ltd is a Northern Ireland based chain of small supermarkets which also offer Post Office and hot food takeaway services. It has outlets in Belfast (7), Ballymena, Coleraine, Newry (3), Dungannon, Bangor, Lisburn, Moira, Omagh, Strabane, Enniskillen and Glengormley.

Tom Carter is the owner and Chief Executive Officer (CEO). Before setting up Carters in 2009 he had 15 years' experience as an Operations Director in a multinational retail business which had 100 outlets in the UK, France and Germany. Karen Swan is the Finance Director and joined Carters in 2009. Previously, Karen worked in finance for various retail businesses.

1.1 Company Values

Tom and Karen share similar views about how the business should be managed. They developed, promoted and adhered to the company values:

- respect all stakeholders;
- continuously learn;
- maximise performance;
- add value to the customer journey;
- be creative;
- create a team ethos;
- reward performance; and
- focus on employee wellbeing.

1.2 Business Growth and Development (2009 – 2014)

Tom and Karen wanted to make Carters successful and typically worked six or seven days a week. By the end of 2012, they had opened outlets in Belfast (4), Newry (2), Dungannon, Lisburn, Omagh and Strabane. Their business strategy was to purchase properties and refurbish them.

Tom and Karen recruited one manager for each supermarket and advised these managers on staff recruitment. They applied the company values to help identify which applicants would be most suitable. The recruitment and selection techniques used in Carters resulted in the appointment of employees who delivered a high-quality service.

Staff were valued and Carters allocated a percentage of their annual budget for learning and development. They strongly believed in investing in staff and that positive employee behaviours should be recognised and rewarded.

Carters introduced a reward system that was based on the company values. Employees were given bonuses in relation to the outcomes of their annual performance reviews. Employees also received annual pay increments linked to their length of service.

Tom believed this process helped to highlight and reinforce the importance of living the company's values.

Tom ran social events for employees and their families, which were part-funded by the company. These events created an opportunity to reward staff and create a team ethos.

Karen worked closely with further education colleges to support the learning and development needs of Carters' employees. She and college staff developed bespoke training courses, which the colleges delivered to the employees. These courses covered retail training, food and hygiene, and health and safety. She also worked closely with the Post Office in relation to the provision of training for employees involved in this type of work.

By 2014 Carters had opened an additional four outlets in Ballymena, Bangor, Coleraine, and Moira. Tom and Karen still participated in recruitment and selection, although they realised that they were devoting less time to their core roles and responsibilities.

1.3 Restructuring and Performance (2015 – 2018)

In 2015, Tom and Karen agreed that Carters needed to be restructured. Between 2015 and 2018 they appointed Bill Best as Human Resource Director, Susan Browne as Operations Director, Bob Peters as Human Resource Manager and Phil Kotler as Finance Manager. Two Area Managers, Joan Gray and Sam Cooke, were also recruited and they reported to the Operations Director. All Directors and Managers were based at the Head Office in Belfast, and fully supported the company values. Additionally, staff were recruited in Human Resources and Finance. The Operations Team took over all dealings with the further education colleges.

In 2018, Carters opened two additional outlets in Enniskillen and Glengormley. **Figure 1** (page 6) illustrates Carters' organisational structure in 2018. The total number of employees was 653.

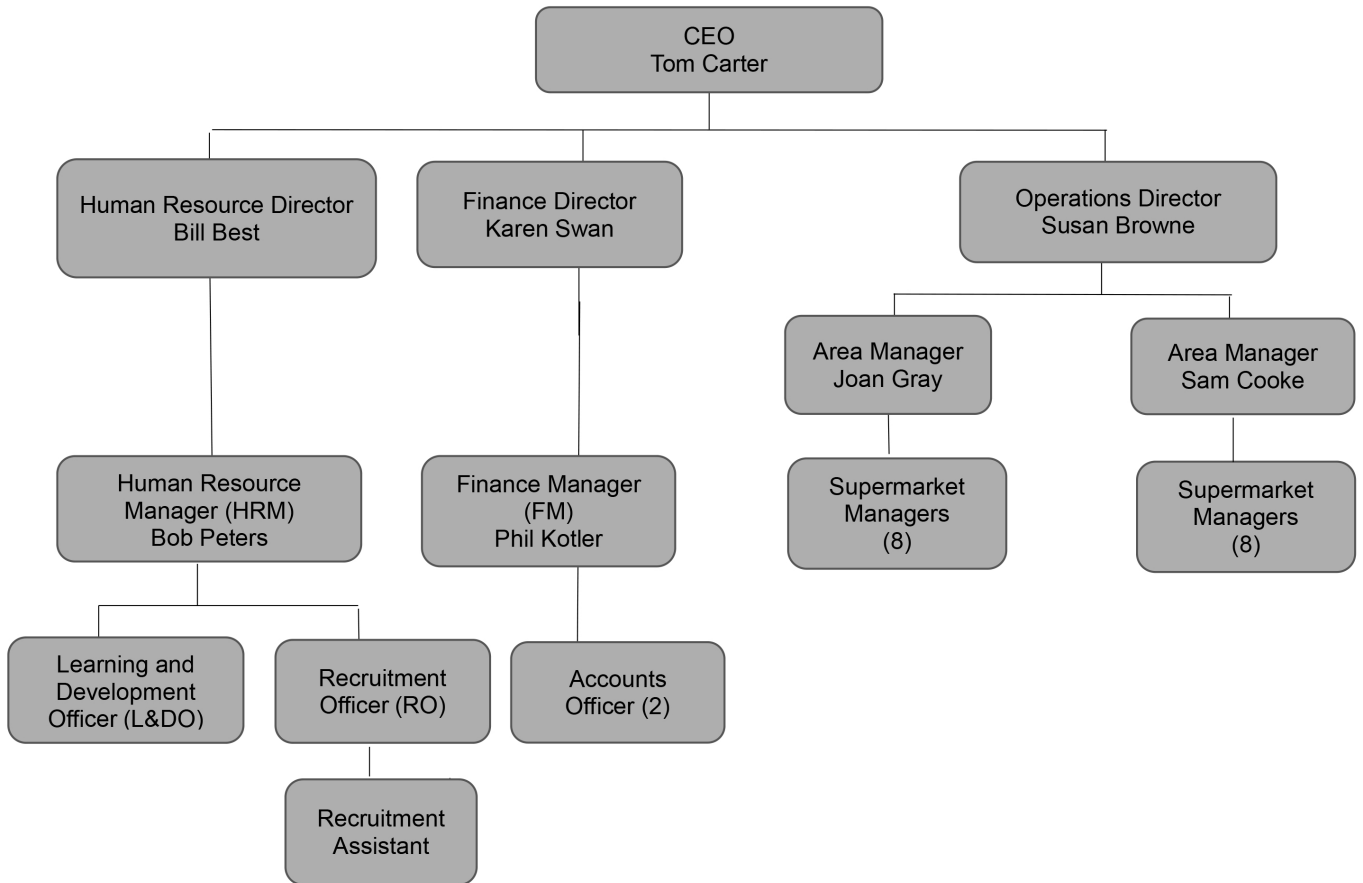


Figure 1. Carters Ltd Organisation Chart – 2018

The typical organisation structure within each supermarket outlet is shown in **Figure 2**, below.

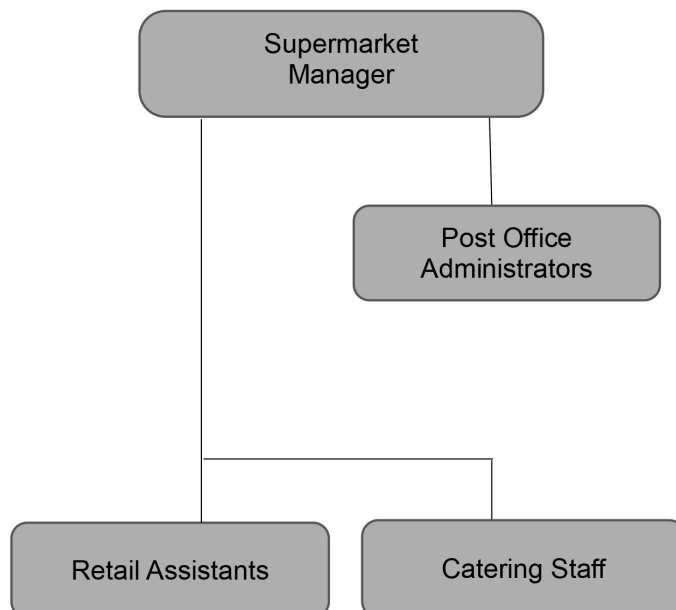


Figure 2. Carters Ltd organisational structure in each supermarket – 2018

Annual staff surveys consistently reported positive comments from employees, for example they felt that Carters was a great company to work for and felt valued. However, a significant number reported there were few opportunities for promotion.

Customer survey results were also favourable with high customer satisfaction levels and regular scores of 9.7 out of 10 for cleanliness, staff courtesy and responsiveness to customers' requests, quality of food and price.

The strong performance of staff and high customer satisfaction levels were reflected in increasing sales and profit figures.

Additionally, Carters also maintained employee absence and turnover rates well below industry norms.

1.4 Business Change (2019 – 2023)

In December 2019, Tom announced that his son, Colin, was to become CEO. Colin graduated in Marketing in 2007 and had worked in the car retail sector for 12 years as a Manager and Operations Director. Karen was shocked that she had not been consulted by Tom about this decision.

Colin started as CEO in January 2020 and after a few months Susan Browne, Operations Director reported to Karen that Colin regularly interfered with the running of operational matters and he was constantly instructing her Area Managers to engage in additional work. As a result of Colin's interference, Joan and Sam were also experiencing heavier workloads. Susan told Karen that she had previously raised the interference issues with Colin on several occasions, but his response was always "Based upon my experience as an Operations Director, the two Area Managers need to be stretched and you are benefitting from my expertise and support".

1.5 Annual Report for Carters Ltd

Carters Ltd 2019 Annual Report was released in April 2020. This report highlighted the maintenance of high customer satisfaction scores. Employees were commended for their hard work, customer focus, loyalty and going the extra mile. The report acknowledged that the reward system had been designed to ensure that the outstanding performance of employees was reflected in what they earned.

1.6 New Strategy for Carters Ltd

In May 2020, as part of this new strategy for Carters, Colin announced that he wanted to grow the business further and four new outlets would be opened between 2021 and 2023. He believed that a new Management Information System (MIS) would make it easier to manage all the outlets. Revenue, costs and human resource data could be monitored and analysed from Head Office. This would enable Carters to be responsive to threats and opportunities as they occurred. Colin also confirmed that the annual pay bonuses linked to length of service, and employee social events, would be scrapped.

Colin decided to use local recruitment agencies and training providers to recruit, select and train new staff, terminating the contract with the further education colleges. Bill Best, HR Director was alarmed by this and feared the worst for both Carters and his department. However, Colin insisted that his new strategy would benefit the Operations Director and her Area Managers as they would no longer have to spend part of their time liaising with further education colleges.

Colin stated that an online learning and development programme would be available by November 2020, for all supermarket staff. Supermarket managers would also be supported with the use of the new MIS to record all training and highlight when mandatory training needed to be updated.

Susan questioned Colin’s proposals at the time and believed that this strategy would be detrimental to the business. She believed the changes could negatively impact on the business in terms of: the cost of the new MIS, increased workload on the Operations Department, a reduction in the quality of customer service, reduced employee motivation, a decline in employee performance and increased risk of reputational damage for Carters.

By 2023 the total number of employees within Carters is projected to be 813 across 20 outlets.

2.0 Issues within Carters Ltd

In January 2021, Susan Browne became concerned about the increasing number of complaints on the company’s Facebook page. The drop in customer survey ratings, **Table 1**, indicated that problems were affecting the customer experience inside their supermarkets.

Table 1. Customer Survey Ratings out of 10

Service Performance Area	2019	2020	2021	2022
Cleanliness	9.8	9.7	8.6	7.4
Staff courtesy to shoppers	9.7	9.7	8.5	7.9
Responsiveness to customers’ requests	9.7	9.6	8.6	8.0
Quality of food	9.6	9.6	8.7	7.6
Price	9.7	9.7	9.0	8.2

The Area Managers also informed Susan about the consequences of Colin’s approach. Most of the complaints were about the newly opened supermarkets, including:

- poor food;
- rude staff;
- lengthy waiting times to be served; and
- unhygienic interiors.

2.1 Human Resources (2020 – 2022)

In December 2020, the Area Managers complained to Susan that the HR Department was offering little help in relation to the recruitment and selection of staff, and for induction and training. They said that employees could not access the online training, as it was frequently not working properly. The Area Managers reported that their training records were incomplete and supermarket Managers were relying on an inadequate MIS. They were also advised by Bill, the HR Director, to use local recruitment agencies instead of further education colleges. In addition, that the Learning and Development Officer and the Recruitment Officer had left the business and these posts would not be replaced.

The Area Managers also reported that a number of staff recruited from local agencies did not know how to do their job. The job descriptions and person specifications used by the recruitment agencies were not appropriate. Supermarket Managers complained that they were spending too much time training agency staff and this was adversely affecting their own jobs.

Susan raised the Area Managers' complaints with Colin on several occasions but his response was "get Bill to help you".

Staff unrest continued to increase between 2021 and 2022. Staff were working longer shifts in order to cover absences and labour turnover was high. Susan complained to Colin that she was "under immense pressure" dealing with the growing number of complaints from the newly open supermarkets. Susan felt that working in excess of 60 hours per week, on a regular basis, this was neither sustainable nor good for her wellbeing.

2.2 Business Performance

In June 2023, Karen reported to Colin that immediate changes were required. Her report contained figures covering all the supermarkets. Over the last two years there had been a significant fall in revenue and costs had increased. The report also included performance information shown in **Table 2** below.

Table 2. Performance Indicators

Year	Employee turnover rates (%)	Employee absence rates (%)	Number of grievances	Food hygiene incidents	Customer satisfaction out of 10
2017	4.0	1.6	1	0	9.7 / 10
2018	4.2	1.8	2	1	9.6 / 10
2019	4.1	1.7	1	2	9.8 / 10
2020	7.1	5.2	1	6	8.1 / 10
2021	9.8	10.3	7	16	6.2 / 10
2022	18.1	16.4	14	23	5.9 / 10

In addition, Karen's report noted that since October 2021, recruitment and selection processes started to take too long to complete and 38% of new recruits left within one year. Overall, the quality of work and performance had significantly declined. Feedback from the 2022 annual staff survey stated that:

- new staff were not informed of the company values;
- career progression was limited;
- jobs were boring;
- employees were experiencing, on occasions, high levels of stress;
- the learning and development programmes were ineffective;
- the online learning and development programmes did not work;
- communication within the business was poor and the sharing of good working practices had virtually stopped;
- limited opportunities existed for managers and employees to share information;
- Area Managers received insufficient support;
- longer shifts were being worked to address absences and high labour turnover;
- the company seemed indifferent to employee wellbeing;
- employees felt their loyalty was not valued and this was evidenced by the removal of annual pay bonuses; and
- the new MIS was poor.

3.0 Management Goals

Colin decided that the company needed to address the issues that were adversely affecting the business. He identified the following goals for the business:

1. an improved organisational structure and culture
2. improved recruitment and selection processes
3. enhanced induction and learning and development experiences for staff
4. improved employee well-being, motivation and performance

4.0 Timescale

Colin has requested that the report be completed and available in three months.

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