Module Professionalism & Governance

The PMI's Professionalism & Governance exam is intended as the final stage in the Advanced Diploma. This means learners are expected to draw on knowledge they have gained in other modules, their professional lives, and the study manuals to pass this exam. There is technical material available in the technical manuals – Governance and Professionalism, there is also a Communication manual which is designed to support learners in drafting the range of communications which may be required as an answer format for Part One (the long answer question). This is not a learn by rote exam and learners are expected to demonstrate a range of skills they will take forward into their careers as fully qualified pensions professionals.

Part One of the exam is a case study where 60% of the marks available. 48 marks are awarded on learners' ability to demonstrate how they can apply their technical knowledge to the case study, but there are always more than 48 marks available to accommodate the breadth of technical detail which could be applied to any Part One question. The Governance manual gives helpful guidance on the type of scenarios which can form the basis of the Part One question. However, they should be guided by the **syllabus** on the areas they need to study. Without demonstrating this knowledge, learners will not gain the marks required to pass the exam. 12 marks are awarded for the way learners present their answers, their communication technique and style in the required format. These marks test learners' knowledge and effectiveness on the different ways information is exchanged. Learners need to study the Communications manual for the required aspects of each form of communication. To gain these marks, learners need to show they understand the individual components of each type. For example, it is not enough to present an 'essay' style answer broken into paragraphs for a report. Learners should appreciate all aspects of a report format. These are straightforward marks to gain.

Part Two consists of three or four short questions, where 40% of the marks are available. These can be drawn from the syllabus **or** the Code of Conduct. Regardless of their status, all PMI members are required to adhere to the Code which is a key document for all PMI members. PMI members should familiarise themselves with the Code and understand how they should behave when faced with various issues. The Code is set out on two pages of A4, separated into six sections and is available for download from the PMI website. The Code is not a definitive list of actions for PMI members to apply. It is a guide and PMI members are expected to behave appropriately and in the spirit of the Code. Short answer questions can also ask learners to demonstrate understanding of any area of the **syllabus**.

Where questions relate to the Code, learners are expected to understand the Code itself <u>and</u> be able to apply the principles to a professional situation. They should be able to assess this situation; **understand any technical requirements** and **identify which part of the Code it relates to**. They are required to draft a short response referencing the relevant section of the Code. It is not simply enough to identify the problem; learners also need to explain how they would resolve the issue. This may involve conferring with other parties and offering alternative solutions. Questions based on the Code require learners to interpret what actions and behaviours they need to demonstrate to find these solutions. Learners must look beyond their own work environment for solutions. Those simply passing the problem up the chain of command, or to the authorities, without describing what part they would play are will struggle to pass the exam. The Professionalism manual is available to assist learners in their preparations. There may also be times when Part two questions address a specific issue from the **syllabus**. These will be scenarios based on a **technical issue** where they will be expected to prove they understand **both** the technical aspect **and** demonstrate how they can contextualise the solution in a professional way. No communication marks are awarded for part two.

While it is pleasing this year than half of learners were able to demonstrate technical knowledge, most still struggled to gain more than half of the 48 technical marks available on Part One. Part Two also appears to challenge learners and few achieve solid marks for all short answer questions. These challenges make it much harder for learners to gain sufficient marks to pass the exam. It can also leave some learners in danger of failing within five marks – which will be very frustrating for them. Like all exams, in Professionalism & Governance –

every mark counts. There is no requirement for learners to achieve a specific percentage in either part of the exam.

This is the second Professionalism & Governance exam to be taken online. While learners were clearly comfortable with this was of working, they need to remember to incorporate sufficient time to fully read through their answers before submitting them. The exam paper shows the marks allocated for each question and this should be considered when deciding how much time to spend on each within the 180 minutes available. The questions can also be answered in any order. However, as there are 60 marks available for Part One, this is a good place to start. When deciding how much time to spend on a question, time should be set aside to re-read all the answers. This year there were quite a few which would have benefited from a second read to clarify sentences and correct typos. Typing answers also showed how some answers to Part One were very short, but it was pleasing to see learners are not repeating points.

Even in an electronic environment it is important to plan answers. While the online platform does not give learners the same 'planning freedom' as paper, it is still a vital aspect of scoping a good answer. It is integral to ensuring nothing is missed and the answer has flow. It also ensures they answer the question asked and do not veer off course. A plan keeps you on track! Learners are not directly penalised for lack of a plan, but it does improve their chances of better marks.

The answer to the case study, Part 1, Question 1, could be found in Part 2 Chapter 1 of the Governance Study manual. The question was:

You have just been appointed as Pension Manager at CDF Supplies Limited. You will be looking after the company's trust based defined benefit (DB) pension scheme. It is closed to new members but not future accrual and there are still significant numbers of active members. When you met with the Chair of Trustees, she told you the DB scheme administration is outsourced but performance reporting is limited to reporting a single Service Level Agreement (SLA) overall achievement percentage in the quarterly Stewardship Report. There is no other reporting on service achievement or quality.

The Chair of Trustees is interested in your suggestion of introducing mutually agreed SLAs with the administrator, which will include both qualitative and quantitative criteria. She is concerned her co-trustees are becoming solely focused on a single measure and this does not truly reflect members' experiences. She has asked you to draft a paper for the next Governance Committee meeting covering the following issues, with a recommendation of next steps:

a) **Why the scheme should have more developed SLAs?**
b) **How to go about establishing and implementing this?**
c) **What critical success factors and evaluation criteria could they include in these SLAs?**
d) **How these success factors and evaluation criteria could be consistently reported?**
e) **How the Trustees can use more diverse SLAs to help manage and develop their relationship with the administrator and what other methods can be used to understand and manage service quality?**

(48 technical marks, 12 format/communication marks. Total 60 marks)

Learners have every opportunity of gaining higher marks if they have both learned and understood the syllabus, which is supported by the study manual, rather than relying on simply personal experience, or their current practice at their employer. To answer this question adequately, learners needed to demonstrate understanding of only one area in the Governance manual, plus the guidance in the Communications manual. The question was laid out in such a way learners could apply this to the structure of their answer. While learners are not penalised in their technical marks for using a different order, it can impact on flow and clarity – which affects the communication marks. Although, these were better this year, they would have been significantly better if

learners identified sender/receiver, added a contents page, drafted an exec summary and introduction. Some learners did not include recommendations, which were specifically asked for in this question.

Unfortunately, learners are still focusing on how SLAs could be used to deal with deficiencies at an administrator, rather than a governance tool based on a common understanding between trustees and their service providers. Where learners demonstrated they understood the role SLAs can play in managing quality and what else can support this objective, they were rewarded. Some learners are still omitting all the required points, which was a shame as it limits their ability to gain sufficient marks. The question asked nothing more technical of learners than was provided in the Governance Manual.

The three short questions could only have been answered fully if learners had read and understood the manuals, the syllabus **and** the Code. Learners should bear in mind the short professionalism questions can be based on any area of pensions within the syllabus. This means short questions can include any aspect of the Governance manual, or syllabus in addition to Part One. For Code related questions, learners should have worked through the Professionalism manual as well as learning the Code, so they know how it is applied in specific circumstances. Learners need to be familiar with the Code and its structure so they can recall which area(s) a particular scenario relates to. It is also important for learners to know the broader application of the organisational principles underlying the Code. Importantly, the Code is a guide to behaviour and so there is always acknowledgement of learners' interpretations. They need to think about what behaviour they should exhibit in each circumstance and what would need to be done to resolve the issue at hand. It is not sufficient to hand off the problem to a manager, HR, or the authorities.

Some learners are still listing any areas of the Code which they felt could have relevance, rather than thinking carefully about which could apply. There were some learners who attached Code areas to technical questions, which wasted their time. However, it is pleasing a number of learners are looking at the context of the question and what the issues could be which relate to the Code. They were rewarded with better marks for this approach. The short questions were:

Question 2

Your line manager has asked you to email her to summarise the main points of a quality management system and briefly explain the principles of both Six Sigma and Investors in People.

a) **Main points of a quality management system (8 marks)**
b) **Brief explanation of Six Sigma (6 marks)**
c) **Brief explanation of Investors in People (4 marks)**

Total 18 marks

This was a straightforward technical question which was based on the information on pages 47 to 49 of the Governance manual. The requirement was clear a summary was needed. This was the better answered short question and most learners were able to explain as the question asked. There were some learners who were not able to cover each area and their marks reflected this.

Question 3

One of your team has returned to work after taking special leave to look after an elderly relative. Although she works full time remotely, she has been having trouble fulfilling her responsibilities as a carer and those of her role. She's missed a number of early morning team video calls and has been logging off early. She is very competent when she is working, but her absences are putting pressure on both her and her colleagues. As her manager, you are aware of these pressures and the impact on the team's SLAs. A male team member is beginning to make comments about her as a person and her

contribution to the team. He is undermining her at every opportunity, increasing her stress levels and reducing her confidence. How do you deal with the situation?

a) **What are the relevant section(s) of the Code that could apply (5 marks)**
b) **What actions should you take? (9 marks)**

Total 14 marks

The areas of the Code applying to this question were 1b and 4f, which needed to be in full. It was a challenging question and there were some a few good answers which identified there were two issues. Most learners appreciated the situation needed to be assessed first-hand, both from a team servicing perspective and both parties. HR/management also needed to be involved and it could be that disciplinary measures may need to be taken against the party making the negative comments. Exploring flexibility and/or alternative roles for the party struggling with times was also an option. Overall, learners should not pre-judge the outcome in a complex situation like this.

Question 4

You are pension manager of a large scheme which is administered in house. You have just been informed this year's benefit statements have all been sent to the wrong people. On investigation you have found it was caused by an IT issue where the address line was mismatched to the member data.

a) **Why is this important? (2 marks)**
b) **Whose responsibility is it to report the breach? (3 marks)**
c) **What are your first steps and why? (3 marks)**

Total 8 marks

This was a straightforward technical question based on page 2 of the Governance manual relating to GDPR and data breaches. Learners should know and understand responsibilities under this key piece of legislation. It was the least well answered question in this exam with few learners gaining more than half marks. Unfortunately, this made the difference between pass and fail for some.