

# CILG Level 2 Syllabus

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CILG — Level 2 Certificate | Comprehensive Syllabus

Syllabus · Level 2 · Certificate in Leadership & Governance

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Official Syllabus — 2024 Edition

Level 2 Syllabus

Certificate in Leadership and Governance — Knowledge Level

Modules

Learning Outcomes

55+

Topic Areas

45+

Reading References

Module 2.1

Advanced Leadership Theories and Practice

Module 2.2

Corporate Law and Regulatory Compliance

Module 2.3

Financial Management for Leaders

Module 2.4

Human Resource Management and Talent Leadership

## Module 2.5

### Organisational Strategy and Competitive Analysis

#### Qualification Level

Level 2 — Certificate in Leadership and Governance (Knowledge Level)

5 Modules

Constructed Response Written Examination

2.5 – 3 hours per module

Minimum pass: 50%

Study load: 100–120 hours per module

Knowledge

2.1

## **MODULE**

### Advanced Leadership Theories and Practice

Deepening leadership capability for complex, dynamic, and diverse professional environments — from adaptive leadership to cross-cultural practice

#### Module Overview

This module builds directly on the Level 1 leadership foundations to develop sophisticated leadership capabilities suited to the demands of complex, dynamic, and diverse professional environments. Where Level 1 introduced the map of leadership theory, Level 2 develops the navigational skills to apply it with professional judgment in ambiguous, fast-changing, and culturally varied situations. The 21st-century professional environment — characterised by digital disruption, globalisation, hybrid working, generational diversity, and unprecedented rates of change — demands a calibre of leadership that classical models alone cannot address.

The module is structured around four interconnected themes: adaptive leadership in complex and uncertain environments; advanced approaches to leading teams including virtual, hybrid, and culturally diverse configurations; coaching and mentoring as disciplined leadership practices; and leadership in the specific contexts of public sector, civil society, and non-profit organisations. Throughout, candidates are expected to apply

frameworks to realistic professional scenarios and to engage in structured reflection on their own leadership development.

Particular emphasis is placed on the distinction between technical and adaptive challenges — one of the most practically valuable conceptual tools in contemporary leadership. The module also addresses the growing evidence on inclusive leadership, establishing diversity and inclusion not as compliance obligations but as genuine sources of organisational performance and governance quality.

#### Professional Rationale:

The World Economic Forum's Future of Jobs reports consistently identify leadership, complex problem-solving, and emotional intelligence as the top three professional competencies of the coming decade. This module directly develops all three — equipping candidates with the adaptive, inclusive, and coaching-oriented leadership capabilities that employers and governance bodies prize most highly.

#### Module Objectives

To develop advanced understanding of adaptive leadership theory and its application to the distinction between technical and adaptive challenges in professional and governance contexts

To examine authentic leadership as a framework for building trust and credibility in senior professional roles, particularly in governance contexts where leader integrity is paramount

To develop inclusive leadership competencies — equipping candidates to lead diverse teams effectively and to build cultures where all individuals can contribute fully

To develop coaching and mentoring as practical leadership disciplines, with direct application to talent development and professional growth

To equip candidates to lead effectively in virtual and hybrid team configurations — addressing the particular challenges of remote leadership, digital communication, and distributed team cohesion

To develop cross-cultural leadership competency — understanding how cultural context shapes leadership expectations and effectiveness

To examine the distinctive leadership challenges and practices of public sector, civil society, and non-profit organisations

#### Detailed Topic Content

Adaptive leadership (Heifetz & Linsky): technical vs. adaptive challenges; the work of leadership on the balcony and the dance floor; the danger of confusing the two

The adaptive leadership framework in practice: diagnosing the adaptive challenge, regulating distress, maintaining disciplined attention, protecting voices of leadership from below

Authentic leadership: George's True North model — self-awareness, values, heart, relationships, and self-discipline; the authenticity paradox in leadership

Authentic leadership and governance: why authenticity matters especially in roles of governance responsibility — trust, credibility, and long-term relational capital

Inclusive leadership: the six traits of inclusive leaders (Deloitte framework); creating belonging while celebrating uniqueness; psychological safety as a prerequisite for inclusion

The neuroscience of inclusion: bias mechanisms, threat response, and the neurological basis of in-group and out-group dynamics

Coaching fundamentals: coaching versus mentoring versus managing versus counselling — key distinctions; the GROW model (Goal, Reality, Options, Will) — detailed application

Advanced coaching frameworks: the FUEL model; non-directive coaching; appreciative inquiry in coaching conversations; coaching for senior professionals

Mentoring frameworks: developmental mentoring (Clutterbuck) versus traditional mentoring; peer mentoring and reverse mentoring; designing effective mentoring relationships

Virtual and hybrid team leadership: the research on virtual team performance; leadership practices that overcome the disadvantages of distance; digital communication governance

Cross-cultural leadership: Hofstede revisited at leadership level; the GLOBE study — cultural clusters and leadership prototypes; cultural intelligence (CQ) as a leadership competency

VUCA leadership: Volatile, Uncertain, Complex, and Ambiguous environments; decision-making frameworks under uncertainty; the Cynefin framework (Snowden) for complexity navigation

Crisis leadership: decision-making under time pressure; managing multiple stakeholders in a crisis; communication in crisis; the leader's own psychological management in crisis

Public sector and non-profit leadership: the public value framework (Moore); distinctive features of leading in mission-driven and politically accountable environments; managing without market signals

Learning Outcomes

On successful completion of this module, candidates will be able to:

Ref

Learning Outcome

Bloom's Level

LO 2.1.1

Apply the adaptive leadership framework to distinguish technical from adaptive challenges in a described professional or governance scenario, and identify appropriate leadership responses for each

Application

LO 2.1.2

Critically evaluate the authentic leadership model — identifying its strengths and limitations as a framework for governance leadership, and assessing its relevance to a specific professional context

Evaluation

LO 2.1.3

Analyse the inclusive leadership framework and design a specific intervention to strengthen inclusive practice in a described team or governance context

Analysis

LO 2.1.4

Demonstrate the application of the GROW coaching model by constructing a structured coaching conversation plan for a described professional development challenge

Application

LO 2.1.5

Evaluate the evidence on virtual team performance and design a leadership framework for a distributed team that addresses the identified challenges of remote collaboration

## Evaluation

### LO 2.1.6

Apply the cultural intelligence (CQ) framework to assess personal cross-cultural leadership effectiveness and identify priority development areas

## Application

### LO 2.1.7

Critically assess the distinctive features of leadership in public sector and civil society contexts, explaining the implications of political accountability, public value, and mission-orientation for leadership practice

## Evaluation

### Suggested Readings

Leadership on the Line: Staying Alive through the Dangers of Change

#### Core Text

Heifetz, R.A. & Linsky, M. — Harvard Business Review Press, Boston (New Ed., 2017) | ISBN: 978-1633692862

The definitive practitioner guide to adaptive leadership — the most practically influential leadership text of the past two decades. Heifetz and Linsky move from theory to survival guide, explaining with extraordinary clarity why adaptive work is so difficult and so dangerous, and how leaders can do it without being destroyed by the process.

Essential for LO 2.1.1 and LO 2.1.2.

Chapters 1–4 (adaptive leadership foundations) and Chapters 7–9 (surviving the leadership challenge) are the priority reading. Prior reading of their foundational academic text "Leadership Without Easy Answers" (Heifetz, 1994) is recommended for candidates seeking depth.

True North: Discover Your Authentic Leadership

#### Core Text

George, B. & Sims, P. — Jossey-Bass/Wiley, San Francisco (Updated Ed., 2015) | ISBN: 978-1118827703

Based on 125 interviews with the most successful leaders of the past two generations, this book remains the most convincing empirical case for authentic leadership. George's

concept of the "True North" — the internal compass that guides a leader when external pressures demand compromise — is directly relevant to governance leadership.

Directly relevant to LO 2.1.2;

Chapters 1–5 establish the authentic leadership framework; Chapter 9 addresses leadership in times of crisis. Recommended as the companion text to the Northouse treatment in Level 1.

Coaching for Performance: The Principles and Practice of Coaching and Leadership

Core Text

Whitmore, J. — Nicholas Brealey, London (5th Ed., 2017) | ISBN: 978-1473658127

The original text introducing the GROW model — the most widely used coaching framework in the world. Whitmore's clear, accessible writing makes this equally valuable for first-time and experienced coaches.

Essential for LO 2.1.4.

Chapters 1–10 cover the GROW model in full; Part 2 (Chapters 11–16) extends coaching into performance and organisational contexts. The book is relatively short (200 pages) and can be read in full without difficulty — recommended for all candidates.

The Inclusion Imperative: How Real Inclusion Creates Better Business and Builds Better Societies

Supplementary

Frost, S. — Kogan Page, London (2014) | ISBN: 978-0749470715

A rigorous and practice-focused treatment of inclusive leadership that goes beyond diversity quotas to examine the structural, cultural, and leadership changes required to build genuinely inclusive organisations.

Directly relevant to LO 2.1.3.

Chapter 5 on inclusive leadership behaviours and Chapter 8 on measuring inclusion are particularly relevant to the assessment requirements of this module.

Remote Work Revolution: Succeeding from Anywhere

Supplementary

Neeley, T. — Harper Business, New York (2021) | ISBN: 978-0063068322

The most comprehensive research-based guide to leading in a remote and hybrid world, drawing on Harvard Business School research and extensive professional field work. Published at the moment of peak remote-working disruption, it provides evidence-based answers to the specific leadership challenges of distance.

Directly relevant to LO 2.1.5.

Chapters 1–5 address the core remote leadership challenges; Chapter 6 covers virtual team effectiveness; Chapter 7 addresses the digital communication governance dimension.

Cultural Intelligence: Living and Working Globally

Supplementary

Thomas, D.C. & Inkson, K. — Berrett-Koehler, San Francisco (3rd Ed., 2017) | ISBN: 978-1626568280

The most accessible introduction to the Cultural Intelligence (CQ) framework — the competency-based approach to cross-cultural leadership that has largely superseded Hofstede's more static national culture model for leadership development purposes.

Directly relevant to LO 2.1.6.

Chapters 1–5 introduce CQ theory; the later chapters provide practical development frameworks that candidates can apply directly to their own cross-cultural leadership situations.

The New Science of Building Great Teams

Professional Reading

Pentland, A. — Harvard Business Review, April 2012 | Free at [hbr.org](http://hbr.org)

MIT Media Lab research on what actually makes teams high-performing — revealing that communication patterns (not talent or strategy) are the strongest predictor of team success. Highly relevant as a research-grounded complement to both the virtual team leadership and inclusive leadership topics.

Useful context for LO 2.1.3 and LO 2.1.5.

Creating Public Value: Strategic Management in Government

Supplementary

Moore, M.H. — Harvard University Press, Cambridge MA (1997) | ISBN: 978-0674175587

The foundational academic text on public sector leadership and the concept of "public value" — the framework that has defined strategic public management thinking since the mid-1990s.

Directly relevant to LO 2.1.7.

Chapters 1, 2, and 3 provide the essential theoretical framework; later chapters develop its strategic implications. Candidate candidates working in public sector organisations should treat this as essential reading.

Assessment Information

Examination Details

Assessment type

Constructed Response Written Examination

Format

3–4 essay/scenario questions; all compulsory

Duration

2.5 hours

Min. pass mark

50% overall; min. 40% on any compulsory question

Key focus

Framework application, professional scenario analysis, critical evaluation

Grading Scale

Distinction

80–100%

Merit

70–79%

Pass

50–69%

Referred

45–49%

Fail

Below 45%

Study Guidance:

2.2

## **MODULE**

### Corporate Law and Regulatory Compliance

Understanding the legal framework of corporations, directors' duties, securities regulation, and the compliance obligations that govern professional practice

#### Module Overview

Corporate law and regulatory compliance are not the exclusive domain of lawyers — they are the foundational legal literacy that every governance professional and senior leader must possess. A director who does not understand their fiduciary duties is not merely uninformed — they are exposed. A manager who does not understand employment law is a liability risk. A governance officer who cannot navigate securities regulation cannot protect the board. This module provides the legal literacy that protects professionals and the organisations they serve.

The module covers the legal framework within which corporations and other business entities operate, the nature and scope of directors' duties under US and common law systems, the legal architecture of shareholder rights and corporate democracy, securities regulation and disclosure requirements, and the foundational employment law obligations that governance professionals must understand. The module emphasises practical recognition — enabling candidates to identify legal issues in professional scenarios and to know when to seek specialist legal advice, rather than attempting to practice law themselves.

Professional Rationale:

#### Module Objectives

To explain the legal structure, formation, and governance of corporations and other principal business entities including LLCs, partnerships, and non-profit organisations

To describe and apply the key fiduciary duties of directors — duty of care, duty of loyalty, and duty of obedience — and to explain the business judgment rule and its limits

To explain shareholder rights, derivative actions, and corporate democracy mechanisms, including proxy voting and shareholder meeting governance

To introduce securities regulation — including the role of the SEC, registration and disclosure requirements, Regulation FD, and the insider trading legal framework

To explain the key governance provisions of the Sarbanes-Oxley Act (2002) and the Dodd-Frank Act (2010) and their continuing compliance obligations

To address the foundational employment law framework — including the legal basis of the employment relationship, anti-discrimination law, wage and hour law, and the governance implications of each

To introduce data protection and privacy law as it applies to employee data and organisational information governance — covering GDPR, CCPA, and US federal privacy developments

#### Detailed Topic Content

Legal forms of business: corporations, LLCs, general and limited partnerships, sole proprietorships, non-profit corporations — formation, structure, liability implications

The corporate constitution: articles of incorporation, bylaws, shareholders' agreements — their legal status and governance function

Separate legal personality and limited liability: the corporate veil; piercing the veil — circumstances and consequences

Directors' fiduciary duties in depth: duty of care (business judgment rule — standard, application, and limitations); duty of loyalty (conflicts of interest, self-dealing, corporate opportunity); duty of obedience (mission compliance for non-profits)

Director liability: personal liability exposure; indemnification provisions; D&O insurance — structure and scope

Shareholder rights: economic rights (dividends, residual claims) and governance rights (voting, inspection rights); record dates and beneficial ownership

Corporate democracy: annual and special meetings; proxies and proxy solicitation; SEC proxy rules; Say-on-Pay votes; majority vs. plurality voting; activist shareholder campaigns

Derivative actions: when shareholders can sue on behalf of the corporation; demand requirements; special litigation committees

Securities regulation: the Securities Act of 1933; the Securities Exchange Act of 1934; the SEC's regulatory mandate; reporting obligations for public companies

Disclosure obligations: material information; continuous disclosure; Regulation FD — purpose, requirements, and compliance governance; quiet periods and blackout policies

Insider trading law: definition of material non-public information; classical theory and misappropriation theory; Rule 10b-5; trading plans (Rule 10b5-1); enforcement and penalties

Sarbanes-Oxley Act 2002: CEO/CFO certifications (s.302, s.906); internal control over financial reporting (s.404); audit committee independence requirements; whistleblower protections (s.806)

Dodd-Frank Act 2010: governance provisions — say-on-pay, clawback policies, pay-ratio disclosure, whistleblower rewards programme

Employment law framework: at-will employment and its exceptions; employment contracts; Title VII and anti-discrimination law; ADA; ADEA; FLSA wage and hour requirements; FMLA

Employee data privacy: GDPR principles for employers (even non-EU organisations handling EU employee data); CCPA employee data provisions; emerging US federal privacy law

Learning Outcomes

Ref

Learning Outcome

Bloom's Level

LO 2.2.1

Explain the legal characteristics and governance implications of the principal forms of business entity, and advise on their relative suitability for a described organisational context

Application

LO 2.2.2

Describe and differentiate the three primary fiduciary duties of directors and apply the business judgment rule to assess director liability in a described governance scenario

Application

LO 2.2.3

Analyse a described director conduct scenario to identify potential breaches of fiduciary duty and recommend appropriate governance responses to protect the corporation and the director

Analysis

LO 2.2.4

Explain Regulation FD and the insider trading legal framework, identifying the specific compliance obligations they create for directors, senior managers, and company secretaries

Comprehension

LO 2.2.5

Identify the key governance provisions of the Sarbanes-Oxley Act and explain their practical implications for board oversight, audit committees, and financial reporting governance

Comprehension

LO 2.2.6

Apply the anti-discrimination law framework to analyse an employment scenario, identifying the applicable legal obligations and the governance actions required to manage the associated risk

Application

LO 2.2.7

Explain the principal obligations imposed by GDPR and CCPA on organisations in respect of employee personal data and design a basic data governance compliance framework

Application

Suggested Readings

## Business Law Today: The Essentials

### Core Text

Miller, R.L. & Jentz, G.A. — Cengage Learning, Mason OH (13th Ed., 2022) | ISBN: 978-0357452721

The most accessible comprehensive business law text for professionals without a law degree. Combines accurate legal content with exceptional clarity of explanation and abundant case examples.

Directly relevant chapters: Ch.28 (Corporate Formation and Financing), Ch.29 (Corporate Directors, Officers, and Shareholders), Ch.30 (Corporate Mergers, Consolidations, and Termination), Ch.33 (Employment and Labor Law), Ch.34 (Employment Discrimination).

The securities law content in Chapter 31 is directly relevant to LO 2.2.4. The securities fraud and insider trading sections in Chapter 32 are essential for the insider trading component.

## The Anatomy of Corporate Law: A Comparative and Functional Approach

### Supplementary

Kraakman, R. et al. — Oxford University Press, Oxford (3rd Ed., 2017) | ISBN: 978-0198728528

The leading comparative corporate law text, written by the most distinguished corporate law scholars in the world. Provides the conceptual framework for understanding why corporate law is structured as it is — going beyond description to functional analysis.

Chapters 1 (The Essential Elements of Corporate Law), 2 (Owners), 3 (Directors and Managers), and 4 (Non-Shareholder Constituencies) provide essential depth for LOs 2.2.1, 2.2.2, and 2.2.3.

More analytically demanding than Miller — recommended for candidates seeking Merit or Distinction.

## SEC Regulation FD — Complete Text and Interpretive Release

### Reference Document

US Securities and Exchange Commission — SEC.gov (2000, as amended) | Free at [sec.gov/rules/final/33-7881.htm](https://sec.gov/rules/final/33-7881.htm)

The original SEC rulemaking release for Regulation FD, including the explanatory Release (33-7881) which provides an accessible explanation of the rule's purpose and application.

Essential primary source for LO 2.2.4.

Candidates should read the Release summary (approximately 15 pages) rather than the full technical document. The SEC's more recent guidance on virtual shareholder meetings and social media disclosure (2023) is recommended supplementary material available at [sec.gov](https://sec.gov).

A Summary of Your Rights Under Sarbanes-Oxley: Board Compliance Guide

Reference Document

Deloitte Center for Corporate Governance — Deloitte LLP (Annual Update, 2023) | Free at [deloitte.com/us/governance](https://deloitte.com/us/governance)

Deloitte's annually updated practitioner summary of SOX governance obligations for boards and audit committees. More accessible than the statutory text for candidates without a legal background.

Directly relevant to LO 2.2.5.

The companion document on Dodd-Frank governance provisions addresses LO 2.2.5's coverage of the 2010 Act. Free download; approximately 40 pages.

Employment Law for Business

Core Text

Bennett-Alexander, D. & Hartman, L. — McGraw-Hill Education (9th Ed., 2019) | ISBN: 978-1260004298

The most comprehensive employment law text for business and management students. Addresses the full spectrum of US federal and state employment law with extensive case examples.

Chapters 1–6 (foundational employment law), Chapters 7–10 (anti-discrimination), Chapter 11 (employee privacy) are directly relevant to LOs 2.2.6 and 2.2.7.

Chapter 13 on wage and hour law provides the FLSA content; Chapter 16 on benefits and leaves covers FMLA.

GDPR: A Practical Guide for Employers

## Supplementary

Carey, P. — Bloomsbury Professional, London (3rd Ed., 2022) | ISBN: 978-1526519887

A clear and practical guide to GDPR obligations in the employment context — covering employee data processing, monitoring, subject access requests, and cross-border data transfers.

Directly relevant to LO 2.2.7.

More practically oriented than academic data protection texts; ideal for non-lawyers. Chapters 4–7 (employment-specific GDPR obligations) and Chapter 11 (monitoring and surveillance) are the priority reading.

Director Liability in the New Legal Landscape

Professional Reading

Fried Frank LLP — Corporate Governance Advisory (Annual) | Available at [friedfrank.com/publications](https://friedfrank.com/publications)

Assessment Information

Examination Details

Assessment type

Constructed Response Written Examination

Format

3–4 scenario-based questions; all compulsory

Duration

2.5 hours

Min. pass mark

50% overall; min. 40% on any compulsory question

Key focus

Legal duty analysis, compliance scenario application, regulatory framework identification

Grading Scale

Distinction

80–100%

Merit

70–79%

Pass

50–69%

Referred

45–49%

Fail

Below 45%

Study Guidance:

This module has the highest proportion of definitional and factual content in the Level 2 framework. Candidates should build systematic knowledge of the key legal concepts using structured notes and mnemonics (e.g., for the three fiduciary duties). Apply the law to real cases: reading SEC enforcement actions against directors (available free at [sec.gov/litigation/admin](https://sec.gov/litigation/admin)) is one of the most effective ways to understand how directors' duties and securities law operate in practice.

2.3

## **MODULE**

Financial Management for Leaders

Developing financial literacy for non-financial leaders — reading, interrogating, and governing financial information at board and executive level

Module Overview

Financial illiteracy in the boardroom is not an innocent gap — it is a governance risk. Directors who cannot read financial statements cannot fulfil their oversight responsibilities. Senior managers who do not understand budgeting cannot be accountable for their financial decisions. This module addresses financial literacy as a professional governance competency — not as an accounting qualification, but as the ability to read, understand, interrogate, and govern financial information.

The module is designed explicitly for professionals without an accounting background. It develops the ability to read and interpret all three primary financial statements (income statement, balance sheet, and cash flow statement), to analyse financial performance using ratio analysis, to understand budgeting and variance analysis, and to make informed judgments about capital investment decisions. Throughout, the emphasis is on the governance questions that financial literacy enables board members and senior executives to ask — not the technical accounting questions that are the province of the finance function.

A distinctive feature of this module is its focus on the art of financial interrogation — how non-financial directors and executives can challenge finance teams constructively, identify red flags in financial presentations, and maintain independent financial oversight without becoming accountants. This skill is identified in virtually every governance code as a core board competency, and is one of the most consistently cited areas of weakness in board effectiveness reviews.

#### Professional Rationale:

The audit committee's financial oversight mandate requires directors who can independently assess financial information. Sarbanes-Oxley requires at least one "financial expert" on the audit committee. The UK Corporate Governance Code requires the board to present a fair, balanced, and understandable assessment of financial position. Financial literacy is not optional — it is a legal and regulatory expectation of governance professionals at every level.

#### Module Objectives

To enable candidates to read, interpret, and intelligently interrogate all three primary financial statements — the income statement, balance sheet, and cash flow statement — and to understand the relationship between them

To develop proficiency in financial ratio analysis — enabling candidates to assess liquidity, profitability, efficiency, and financial leverage from a set of financial statements

To explain the budgeting process — from budget preparation through to monitoring and variance analysis — and to identify the governance implications of effective and ineffective budgetary control

To introduce working capital management — explaining the cash cycle and the governance of working capital as a critical driver of short-term financial health

To develop introductory capital investment appraisal competency — applying NPV, IRR, and payback methodologies to assess the financial merits of investment decisions

To identify the key financial governance questions that board members and senior executives should ask when reviewing financial reports — developing the habit of constructive financial challenge

To explain the governance role of the audit committee in financial oversight — its mandate, its relationship with external auditors, and the questions it should routinely address

#### Detailed Topic Content

The income statement: revenue recognition; gross profit and gross margin; operating expenses; EBITDA; operating profit (EBIT); finance charges; net profit; earnings per share

The balance sheet: current assets (cash, receivables, inventory) and non-current assets; current liabilities and long-term debt; equity (share capital, retained earnings) — the accounting equation

The cash flow statement: operating cash flow (direct and indirect methods); investing activities; financing activities; free cash flow — its significance for governance

The relationship between the three statements: why profit does not equal cash; common-size analysis; trend analysis; preparing a simple financial analysis for a board audience

Liquidity ratios: current ratio; quick ratio; cash ratio — application, benchmarking, and governance implications of deteriorating liquidity

Profitability ratios: gross margin; net margin; return on equity (ROE); return on assets (ROA); return on invested capital (ROIC) — DuPont analysis framework

Efficiency ratios: asset turnover; inventory days; receivable days; payable days — the cash conversion cycle

Leverage ratios: debt-to-equity; interest coverage; debt service coverage — and their governance implications for risk oversight

The budgeting process: types of budget (incremental, zero-based, activity-based, rolling forecast); budget preparation; budget governance — who approves what

Variance analysis: favourable and adverse variances; price and volume variances; the management reporting cycle; escalation governance for material variances

Working capital management: the operating cycle; optimising receivables, payables, and inventory; working capital governance in distressed situations

Capital investment appraisal: payback period; Net Present Value (NPV) — discounting, discount rate selection, and NPV decision rules; Internal Rate of Return (IRR) and its relationship to NPV; simple worked examples

Financial red flags: revenue recognition manipulation; off-balance-sheet financing; aggressive depreciation; related-party transactions — the governance officer's early warning checklist

The audit committee's financial governance mandate: appointment and oversight of external auditors; review of financial statements; oversight of internal controls; relationship with internal audit; key questions for audit committee members

Learning Outcomes

Ref

Learning Outcome

Bloom's Level

LO 2.3.1

Prepare a structured analysis of a set of financial statements (income statement, balance sheet, and cash flow statement), identifying the key financial trends and their strategic and governance implications

Application

LO 2.3.2

Calculate and interpret a comprehensive set of financial ratios from a set of financial statements, using the DuPont framework to explain the drivers of return on equity

Application

LO 2.3.3

Explain the budgeting process and demonstrate how budget variance analysis supports financial control and governance oversight

Comprehension

LO 2.3.4

Apply NPV analysis to evaluate a described capital investment scenario, including the selection and justification of an appropriate discount rate

## Application

### LO 2.3.5

Identify at least five specific financial red flags in a described financial reporting scenario and explain the governance questions that each flag should prompt

## Analysis

### LO 2.3.6

Design a structured set of financial oversight questions for a board or audit committee reviewing a described organisation's annual financial statements

## Synthesis

### LO 2.3.7

Explain the audit committee's financial governance mandate and evaluate the effectiveness of a described audit committee's oversight approach against best practice standards

## Evaluation

### Suggested Readings

Financial Intelligence: A Manager's Guide to Knowing What the Numbers Really Mean

#### Core Text

Berman, K. & Knight, J. — Harvard Business Review Press, Boston (2nd Ed., 2013) | ISBN: 978-1422144114

The ideal financial literacy text for professionals without an accounting background — written specifically for managers and leaders who need to understand and work with financial information. The book's core insight — that finance is as much art as science, and that understanding the assumptions behind the numbers is as important as understanding the numbers themselves — is exactly the governance perspective this module aims to develop.

Parts 1–4 (pages 1–180) cover all three financial statements and ratio analysis — directly relevant to LOs 2.3.1 and 2.3.2.

Part 5 on capital investment appraisal addresses LO 2.3.4. Widely considered the best introductory financial literacy text available.

How to Read a Financial Report: Wringing Vital Signs Out of the Numbers

## Core Text

Tracy, J.A. & Tracy, T.C. — Wiley, Hoboken NJ (9th Ed., 2018) | ISBN: 978-1119414063

A compact, visually clear guide to financial statement analysis that uses a unique integrated approach — showing simultaneously how transactions flow through all three financial statements.

Particularly effective for LO 2.3.1 — the statement relationship content.

The book's design makes it possible to understand the accounting interrelationships without any prior accounting knowledge. At approximately 200 pages, it can be read in a single sitting and provides an excellent foundation before the more analytically demanding ratio and investment appraisal content.

The CFO Guidebook: Corporate Finance for Non-Finance Executives

## Supplementary

Bragg, S.M. — AccountingTools, Denver CO (6th Ed., 2022) | ISBN: 978-1642210590

A comprehensive reference covering financial planning, budgeting, capital allocation, working capital management, and financial risk from an operational finance perspective.

Chapters 4–7 (budgeting and variance analysis) and Chapter 9 (capital investment appraisal) are most directly relevant to LOs 2.3.3 and 2.3.4.

The Audit Committee Financial Expert: What the SEC Requires and What Good Practice Looks Like

## Reference Document

The Audit Committee Institute's annually updated guide to audit committee financial governance — one of the most respected practitioner resources in this area.

Directly relevant to LO 2.3.7.

Provides the current regulatory expectations, practical governance standards, and the questions audit committee members should routinely ask. The companion "Audit Committee Checklist" (also free at the ACI website) is a particularly valuable practical resource.

Financial Shenanigans: How to Detect Accounting Gimmicks and Fraud in Financial Reports

## Supplementary

Schilit, H. & Perler, J. — McGraw-Hill, New York (4th Ed., 2018) | ISBN: 978-1260117264

The classic guide to detecting financial reporting manipulation — essential for developing the red-flag recognition skills that differentiate effective governance oversight from passive acceptance of management reporting.

Directly relevant to LO 2.3.5.

Chapter 2 (manipulating revenue) and Chapter 5 (key metrics) are the priority reading for this module; the full book is strongly recommended for any governance professional involved in financial oversight. Real case studies from well-known corporate scandals make this both educational and highly engaging reading.

## Capital Budgeting Practices: A Survey of the Evidence

### Supplementary

Graham, J.R. & Harvey, C.R. — Journal of Financial Economics, Vol. 60, 2001 | Available at [ssrn.com/abstract=220251](https://ssrn.com/abstract=220251)

The most widely cited survey of how large US corporations actually make capital investment decisions. Provides important context for LO 2.3.4 — showing that while NPV is the theoretically preferred method, payback and IRR remain widely used in practice, and explaining why. Free download at SSRN. Accessible to non-specialists despite its journal format.

## Assessment Information

### Examination Details

#### Assessment type

Constructed Response Written Examination — Mixed Format

#### Format

MCQ component (40%) + constructed response questions (60%)

#### Duration

3 hours (including calculation questions)

Min. pass mark

50% overall

Calculator

Non-programmable financial calculator permitted

Grading Scale

Distinction

80–100%

Merit

70–79%

Pass

50–69%

Referred

45–49%

Fail

Below 45%

Study Guidance:

2.4

## **MODULE**

Human Resource Management and Talent Leadership

Strategic human capital management — workforce planning, talent acquisition, performance governance, engagement, and the board's people oversight role

Module Overview

People are the most strategically significant — and most governance-intensive — asset of most organisations. The quality of an organisation's human capital strategy determines its capacity to execute strategy, sustain performance, manage risk, and build the organisational culture that governance codes increasingly require boards to oversee. Yet human capital governance remains one of the least developed areas of board practice. This module addresses that gap.

The module moves deliberately beyond transactional HR — recruitment, contracts, payroll, grievance procedures — to develop strategic human capital management competency. Candidates examine workforce planning and talent acquisition strategy, performance management systems and their governance, succession planning and leadership pipeline development, employee engagement and wellbeing, reward and recognition governance, and the foundational employment law framework. Throughout, the module asks the governance question: what is the board's role in human capital oversight, and what does good practice look like?

The module is aligned with the frameworks of the Society for Human Resource Management (SHRM) and the Chartered Institute of Personnel and Development (CIPD). It draws on the most current evidence on what drives employee engagement and retention — including the Gallup Q12 research, McKinsey Women in the Workplace findings, and the World Economic Forum Future of Jobs series — to equip candidates with an evidence-based rather than merely intuitive approach to people management.

#### Professional Rationale:

McKinsey research consistently finds that organisations with above-average talent management practices outperform peers by 22% on total returns to shareholders. The UK Corporate Governance Code (2018/2024) explicitly requires boards to assess and monitor culture and workforce engagement. Human capital has moved from an HR function to a board governance priority — and this module prepares candidates for that reality.

#### Module Objectives

To distinguish strategic HRM from operational HR management and to explain the HR Business Partner model and its governance implications for the relationship between the HR function and the board

To develop workforce planning competency — enabling candidates to conduct demand-supply gap analysis and to develop evidence-based resourcing strategies

To develop talent acquisition competency — including strategic employer branding, selection methodology, and the governance of hiring decisions

To design and evaluate performance management frameworks — addressing objectives, appraisal, feedback, and the governance of performance management systems at organisational level

To address employee engagement — understanding its drivers, measuring it, and designing interventions that sustainably improve engagement levels

To address total reward strategy and compensation governance, including the governance of executive compensation as a board-level responsibility

To explain the board's human capital oversight mandate — identifying what governance bodies should monitor, what questions they should ask, and what constitutes good practice in board-level people governance

#### Detailed Topic Content

Strategic HRM: the Resource-Based View of the firm applied to human capital; strategic alignment of HR to business strategy; the three-legged stool model (Ulrich) — HR Business Partners, Centres of Excellence, Shared Services

The HR Business Partner model: strategic versus operational HR; the HRBP role in board-level human capital governance; HR metrics that matter to boards

Workforce planning: demand forecasting (top-down and bottom-up methods); supply analysis (internal supply mapping, external labour market analysis); gap analysis and resourcing options

Talent acquisition strategy: employer brand development; candidate experience design; sourcing channels; the structured interview and its evidence base; assessment centre methodology; background verification governance

Onboarding governance: the research on effective onboarding; the 90-day assimilation period; new hire retention and the onboarding governance framework

Performance management systems: design principles; SMART objective setting; the shift from annual appraisal to continuous performance conversations; calibration and moderation; performance rating governance

Feedback models: SBI (Situation-Behaviour-Impact); the radical candour framework; 360-degree feedback — design and governance considerations

Succession planning: critical role identification; talent pool development; succession readiness assessment; board succession (covered in depth at Level 4); emergency succession planning

Learning and development strategy: 70-20-10 model; learning culture; leadership development programme design; ROI in L&D investment

Employee engagement: Gallup Q12 framework — the 12 engagement drivers; engagement measurement methodologies; pulse surveys and their governance; the engagement-performance research evidence

Employee wellbeing: dimensions of wellbeing (physical, psychological, financial, social); the governance of mental health in the workplace; wellbeing as an investment, not a cost

Total reward strategy: base pay; variable pay (bonuses, commissions, LTIPs); benefits; recognition; the total reward statement; pay equity analysis and the gender pay gap

Executive compensation governance: the remuneration committee; pay-for-performance design; clawback provisions; say-on-pay; international best practice comparison

Board-level human capital governance: what boards should monitor; workforce metrics for the board dashboard; culture measurement; employee voice mechanisms (Section 172 UK CA 2006; worker director models); workforce engagement governance

Learning Outcomes

Ref

Learning Outcome

Bloom's Level

LO 2.4.1

Explain the strategic HRM model and evaluate the role of the HR Business Partner in the context of board-level human capital governance

Evaluation

LO 2.4.2

Conduct a workforce planning analysis for a described organisational scenario — including demand forecasting, supply analysis, gap identification, and recommended resourcing options

Application

LO 2.4.3

Design a performance management framework for a described organisational context, justifying the design choices with reference to the evidence on performance management effectiveness

Synthesis

LO 2.4.4

Analyse the drivers of employee engagement using the Gallup Q12 framework and recommend a targeted engagement improvement intervention for a described organisational situation

Analysis

LO 2.4.5

Evaluate the design of an executive compensation programme against best practice governance standards, identifying specific improvements to strengthen pay-for-performance alignment and accountability

Evaluation

LO 2.4.6

Explain the employment law obligations of employers in relation to discrimination, equal pay, and data protection, and identify the governance implications of non-compliance for directors and boards

Comprehension

LO 2.4.7

Design a board-level human capital dashboard identifying the key metrics, monitoring mechanisms, and escalation processes that constitute good practice in workforce governance

Synthesis

Suggested Readings

Human Resource Management

Core Text

Armstrong, M. & Taylor, S. — Kogan Page, London (15th Ed., 2020) | ISBN: 978-0749498528

The global standard HRM reference text — the most comprehensive treatment of HR management in a single volume. Armstrong's encyclopaedic coverage is balanced by clear organisational principles and a strong practice orientation.

For this module: Parts 1–2 (HRM strategy and HR Business Partner), Parts 4–6 (workforce planning, talent management, performance management), Part 7 (reward management), and Part 9 (employee relations and engagement) are the priority reading.

## The HR Value Proposition

### Core Text

Ulrich, D. & Brockbank, W. — Harvard Business School Press, Boston (2005) | ISBN: 978-1591396574

The foundational text for the Ulrich HR Business Partner model — the framework that transformed the HR profession's understanding of its strategic role.

Essential for LO 2.4.1.

Chapters 1–3 establish the value proposition; Chapter 4 develops the HRBP model; Chapter 7 addresses the HR-governance relationship. The subsequent evolution of the Ulrich model (covered in Ulrich's "HR Transformation," 2009) should also be consulted for the most current version of the framework.

## First, Break All the Rules: What the World's Greatest Managers Do Differently

### Core Text

Buckingham, M. & Coffman, C. — Gallup Press, Washington DC (1999, 2016 reissue) | ISBN: 978-1595621047

The Gallup organisation's landmark study of 80,000 managers and 1 million employees, revealing that the twelve questions of the Q12 engagement survey are the most reliable predictors of employee engagement and team performance.

Essential for LO 2.4.4.

Chapter 3 introduces the Q12 framework; Chapter 4 explains the evidence base; Chapter 5 addresses the manager's specific role in driving engagement. One of the most influential HR research texts of the past three decades — directly applicable to governance practice.

## Radical Candor: Be a Kick-Ass Boss Without Losing Your Humanity

### Supplementary

Scott, K. — St. Martin's Press, New York (Revised Ed., 2019) | ISBN: 978-1250235374

A highly practical framework for the feedback dimension of performance management — one of the most universally cited challenges in professional practice. Scott's Radical Candor framework (care personally + challenge directly) provides a memorable, actionable model for giving effective feedback at all levels.

Directly relevant to LO 2.4.3 and the feedback component.

Chapters 1–4 introduce and develop the framework; the remainder provides practical application guidance. Very highly recommended for all candidates.

Women in the Workplace 2023

Report

McKinsey & Company & LeanIn.Org — Annual report (2023) | Free download:  
[mckinsey.com/women-in-the-workplace](https://mckinsey.com/women-in-the-workplace)

The most comprehensive annual benchmark study of women's representation and experience in the US corporate workplace, covering more than 276 organisations and over 500,000 people. Provides essential data for the workforce diversity, talent acquisition, and engagement content of this module.

Relevant to LOs 2.4.2, 2.4.4, and 2.4.7.

The "broken rung" research — showing that the pipeline problem begins at the first promotion to manager, not at senior levels — is particularly important for workforce planning governance.

Human Capital Management and Reporting: Guidance for Boards

Reference Document

CIPD — Chartered Institute of Personnel and Development, London (2023) | Free at  
[cipd.org/human-capital-reporting](https://cipd.org/human-capital-reporting)

CIPD's authoritative governance guidance on board-level human capital oversight, covering what should be measured, how it should be reported, and what constitutes good practice in workforce governance.

Directly relevant to LO 2.4.7.

Particularly relevant in the context of the UK Corporate Governance Code's workforce engagement requirements and the increasing global movement toward mandatory human capital disclosure. Free download at [cipd.org](https://cipd.org).

Assessment Information

Examination Details

Assessment type

Constructed Response Written Examination

Format

3–4 scenario-based questions; all compulsory

Duration

2.5 hours

Min. pass mark

50% overall

Key focus

Strategic HRM analysis, performance framework design, engagement intervention, governance dashboard

Grading Scale

Distinction

80–100%

Merit

70–79%

Pass

50–69%

Referred

45–49%

Fail

Below 45%

2.5

## **MODULE**

Organisational Strategy and Competitive Analysis

Advanced strategic analysis, competitive positioning, resource-based view, and the governance of strategy execution

Module Overview

Strategy is among the most discussed and least understood disciplines in management. This module moves beyond the introductory frameworks of Level 1 — PESTLE, Five Forces, and SWOT — to develop genuinely sophisticated strategic analysis capability. Candidates will examine the resource-based view and the VRIO framework; Blue Ocean Strategy; corporate-level strategic options including M&A and alliances; the Balanced Scorecard and OKRs as strategy execution frameworks; and the governance of strategy at board level.

The module is animated by a consistent question: what does good strategic analysis actually look like in professional practice? The best strategy frameworks are not academic exercises — they are tools for making better decisions. Candidates are expected throughout to apply these tools to real organisational situations, with the practical judgment to recognise their limitations as well as their power.

Particular emphasis is placed on two topics that bridge strategy and governance: the Balanced Scorecard as an instrument for translating strategy into measurable action and board-level oversight, and the governance of strategy itself — how boards should engage with strategy, challenge management's strategic assumptions, and exercise their strategic oversight function without overstepping into management. The module provides the analytical foundation for the more advanced strategic management and governance content at Levels 3 and 4.

#### Professional Rationale:

Strategy governance is consistently identified as one of the areas where boards add the least value and have the most room to improve. The reason is typically that non-executive directors lack confidence in strategic analysis — they can approve or reject strategies, but struggle to shape or challenge them substantively. This module directly addresses that gap, equipping governance professionals with the strategic analysis tools needed for genuine strategic oversight.

#### Module Objectives

To develop advanced strategic analysis competency — including the resource-based view, VRIO framework, and value chain analysis — building on the environmental analysis tools introduced at Level 1

To examine the strategic logic of competitive advantage in depth — addressing sustainability, imitation barriers, and the dynamic capabilities approach to strategy in fast-changing environments

To evaluate corporate-level strategic options — including organic growth, mergers and acquisitions, strategic alliances, and portfolio strategy — with attention to their governance implications

To critically evaluate and apply the Blue Ocean Strategy framework as an alternative to conventional competitive strategy

To develop strategy execution competency — applying the Balanced Scorecard and OKRs to translate strategic intent into operational performance management

To address the governance of strategy — explaining the board's role in strategy development, approval, challenge, and oversight, and identifying the specific governance tools and processes that support effective strategy governance

To introduce scenario planning as a tool for strategic resilience — preparing candidates to work with uncertainty in strategy development and board-level strategic planning processes

#### Detailed Topic Content

Resource-Based View (RBV) of strategy: Barney's VRIN framework — Valuable, Rare, Inimitable, Non-substitutable; the evolution to VRIO (Organised); strategic resources and capabilities as the foundation of sustained competitive advantage

Value chain analysis (Porter): primary and support activities; value chain configuration; margin analysis; the value system — using value chain analysis to identify strategic opportunities and governance risks

Dynamic capabilities (Teece): sensing, seizing, and reconfiguring capabilities; why VRIN is insufficient in rapidly changing environments; dynamic capabilities and organisational resilience

Corporate-level strategy: the Ansoff Growth Matrix (market penetration, market development, product development, diversification); related and unrelated diversification — the evidence on diversification value

Mergers and acquisitions strategy: strategic rationale for M&A; due diligence from a strategic perspective; value creation vs. value destruction in M&A; the role of the board in M&A oversight

Strategic alliances and joint ventures: alliance types; alliance governance — partner selection, governance structures, IP protection; alliance failure modes and their prevention

Blue Ocean Strategy (Kim & Mauborgne): the Blue Ocean logic — create, not compete; the Strategy Canvas and Four Actions Framework (eliminate, reduce, raise, create); examples and critical evaluation

Portfolio strategy: BCG Growth-Share Matrix; the GE-McKinsey Nine-Box Matrix; portfolio management at board level — capital allocation governance and portfolio governance

Strategy execution: the execution gap — why strategies fail in implementation; Balanced Scorecard — four perspectives; strategy maps; linking scorecard to budgets and incentives

OKRs (Objectives and Key Results): Intel and Google origins; OKR design principles; the distinction between aspirational and committed OKRs; OKR governance — cadence, review, and accountability

The governance of strategy: Tricker's strategy continuum (board determines / shapes / approves strategy); the board strategy offsite; board access to strategic information; independent board advisors; the challenge function in strategy governance

Scenario planning: the origins (Shell); the scenario planning process — environmental scanning, driving forces, critical uncertainties, scenario construction; using scenarios in board-level strategic planning

Strategy and risk governance: linking strategic planning to enterprise risk management; identifying strategic risks at board level; the strategic risk register

Digital strategy and platform economics: the distinctive strategic logic of digital businesses and platform models; implications for competitive analysis; digital transformation as a strategic governance challenge

Learning Outcomes

Ref

Learning Outcome

Bloom's Level

LO 2.5.1

Apply the VRIO framework to assess the strategic resources and capabilities of a described organisation, identifying which resources constitute a potential source of sustained competitive advantage

Application

#### LO 2.5.2

Conduct a value chain analysis for a described organisation and identify specific opportunities to reconfigure activities to improve competitive positioning or reduce strategic risk

Application

#### LO 2.5.3

Evaluate and compare at least three corporate growth strategy options for a described organisation — assessing the strategic logic, governance implications, and risk profile of each

Evaluation

#### LO 2.5.4

Critically evaluate the Blue Ocean Strategy framework — assessing its conceptual strength and limitations and applying the Strategy Canvas to analyse a described competitive situation

Evaluation

#### LO 2.5.5

Design a Balanced Scorecard strategy map for a described organisation's strategic objectives, establishing causal linkages across all four perspectives

Synthesis

#### LO 2.5.6

Explain the governance dimensions of strategy — articulating the board's proper role in strategy development, challenge, approval, and oversight — and identify the specific governance tools that support each function

Analysis

#### LO 2.5.7

Apply scenario planning methodology to develop two contrasting strategic scenarios for a described organisation and identify the strategic implications of each for board-level decision-making

Application

## Suggested Readings

### Strategic Management: Concepts and Cases: Competitiveness and Globalization

#### Core Text

Hitt, M.A., Ireland, R.D. & Hoskisson, R.E. — Cengage Learning, Mason OH (14th Ed., 2022) | ISBN: 978-0357507377

One of the most widely used strategic management texts globally — combining comprehensive theoretical coverage with exceptional case studies.

For this module: Ch.3 (The Internal Organisation: VRIO), Ch.4 (Business-Level Strategy), Ch.6 (Corporate-Level Strategy), Ch.7 (M&A Strategy), Ch.8 (International Strategy), Ch.9 (Cooperative Strategy — alliances), Ch.11 (Organisational Structure and Controls — Balanced Scorecard).

The case studies section provides 30+ strategy analysis cases at appropriate depth for Level 2 examination preparation.

### Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant

#### Core Text

Kim, W.C. & Mauborgne, R. — Harvard Business Review Press, Boston (Expanded Ed., 2015) | ISBN: 978-1625274496

One of the best-selling business strategy books of the past two decades — presenting a compelling framework for creating new market spaces rather than competing in existing ones.

Directly relevant to LO 2.5.4.

Chapters 1–3 introduce the Blue Ocean logic; Chapters 4–5 develop the Strategy Canvas and Four Actions Framework; Chapter 6 addresses implementation. Candidates should read this alongside critical academic assessments of the framework (several available free on Google Scholar) to develop the balanced evaluation required for Distinction-level answers.

### The Balanced Scorecard: Translating Strategy into Action

#### Core Text

Kaplan, R.S. & Norton, D.P. — Harvard Business School Press, Boston (1996) | ISBN: 978-0875846514

The foundational BSC text — the source of one of the most widely adopted strategy execution frameworks in organisational history.

Chapters 1–4 are essential for LO 2.5.5

— introducing the four perspectives, the strategy map concept, and the link between BSC and governance oversight. Candidates should read the 1996 original alongside Kaplan and Norton's later work "Strategy Maps" (2004) for the fuller strategy map methodology.

Competing on Analytics: The New Science of Winning

Supplementary

Davenport, T.H. & Harris, J.G. — Harvard Business School Press, Boston (2017 updated ed.) | ISBN: 978-1633693722

Examines how organisations build analytical capability as a strategic resource — directly relevant to the RBV and VRIO content. Introduces the concept of analytical capability as a VRIO-qualifying resource and explores what it means for competitive advantage in data-intensive environments.

Chapters 1–4 are most relevant to LO 2.5.1.

Measure What Matters: OKRs — The Simple Idea that Drives 10x Growth

Supplementary

Doerr, J. — Portfolio/Penguin, New York (2018) | ISBN: 978-0525536222

The most accessible and widely read text on OKRs — the strategy execution framework developed at Intel by Andy Grove and adopted globally by Google, Intel, LinkedIn, and thousands of other organisations.

Directly relevant to the OKR content of LO 2.5.5.

Part 1 (OKRs in action — case studies) and Part 2 (The New World of Work — OKRs and culture) are the priority reading. The framework complements rather than replaces the Balanced Scorecard — candidates should understand both and their different applications.

The Board's Role in Strategy: Oversight Without Overreach

Reference Document

McKinsey Board Center — McKinsey & Company (2023) | Free at [mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights](https://mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights)

McKinsey Board Center's research-based guidance on how boards should engage with strategy — the most current and authoritative practitioner reference on strategy governance.

Directly relevant to LO 2.5.6.

The Art of the Long View: Planning for the Future in an Uncertain World

Supplementary

Schwartz, P. — Currency/Doubleday, New York (1996) | ISBN: 978-0385267328

The classic scenario planning text from the architect of Shell's legendary scenario planning process — the approach that helped Shell anticipate the 1973 oil crisis and the fall of the Soviet Union.

Directly relevant to LO 2.5.7.

Chapters 1–5 develop the scenario planning methodology; later chapters provide practical guidance on using scenarios in organisational strategy processes. Schwartz's storytelling approach makes this an unusually engaging strategy text.

Assessment Information

Examination Details

Assessment type

Case Study Report — Examination Room

Format

Pre-released or unseen case study with structured analytical tasks

Duration

3 hours

Min. pass mark

50% overall; min. 40% on Professional Application criterion

Key criteria

Strategic analysis quality (40%); Framework application (30%); Professional judgment (30%)

Grading Scale

Distinction

80–100%

Merit

70–79%

Pass

50–69%

Referred

45–49%

Fail

Below 45%

Study Guidance:

Level 2 — General Academic and Professional Standards

Framework information applicable to all five modules of the Knowledge Certificate

Study Hours and Workload

Each module requires 100–120 study hours. The increased study load versus Level 1 reflects the shift from knowledge recall to professional analysis and judgment.

Theory study and reading: approximately 35%

Framework application practice: approximately 30%

Case study and scenario analysis: approximately 20%

Timed practice examination writing: approximately 15%

Assessment at Level 2

Level 2 transitions from MCQ-dominated to constructed response examinations. Candidates must write structured professional responses — not bullet points — under examination conditions.

Modules 2.1, 2.2, 2.4: Constructed response (essay/scenario)

Module 2.3: Mixed format (MCQ + constructed response)

All: 50% minimum; 40% minimum per compulsory question

#### Re-sit and Referred Policy

Re-sit provisions at Level 2 mirror those at Level 1.

Referred (45–49%): component re-sit after minimum 60 days

Fail (below 45%): full module re-sit after minimum 60 days

Maximum 3 total attempts per module

Re-sit results are not shown on the official external transcript

Only the final achieved grade is recorded

#### Progression to Level 3

To progress from Level 2 to Level 3, candidates must satisfy all of the following:

Pass all 5 Level 2 modules (minimum 50% per module)

Minimum two (2) years of relevant professional experience verified for Level 3 entry

Submit a Professional Experience Summary (500–700 words) at Level 3 registration

Level 3 registration fee payable upon enrolment

#### Learning Resources

Video lecture library — Level 2 depth (20–30 min segments)

200+ practice questions per module including scenario-based questions

Two full mock Case Study Reports for Module 2.5 with model answers

Financial statement workbooks with real company accounts (Module 2.3)

Legal scenario practice library (Module 2.2) with examiner commentary

#### International Candidates

Level 2 content has a primary US legal and regulatory orientation (particularly Module 2.2) but is designed to be globally relevant.

Module 2.2 examination scenarios may reference US, UK, or international governance frameworks

Module 2.3 uses IFRS and US GAAP terminology where relevant

All other modules are jurisdiction-neutral in their primary frameworks

International candidates are encouraged to contextualise learning to their home jurisdiction in Professional Practice Assignments at Level 3+

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## Level 2 Modules

2.1 — Advanced Leadership

2.2 — Corporate Law & Compliance

2.3 — Financial Management

2.4 — HR Management

2.5 — Organisational Strategy

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2024