



Annual report 2008–09



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'We're pleased with the progress we've made in the last year. I hope you enjoy reading the report and that you're inspired to join us on the next stages in our journey.'

It's been a year of substantial progress, change and transformation for the CIPD. A year for the CIPD that many of our members will recognise from their own experiences. A year in which we've balanced the need to deliver an excellent service today with the imperative to understand and plan for the future needs and demands of the profession.

Our focus on excellent service has ensured we've continued to grow membership, which now stands at over 135,000, and also that our commercial services have continued to deliver for customers despite the inevitable impact of the recession. Nonetheless, we have seen reduced commercial revenues this year. However, our strong financial base has enabled us to maintain investment in the future, financed in the short term by taking funds from reserves. To ensure this investment is sustainable in the long term, we've also taken rigorous action to reduce our cost base. This combination of investment and prudent action on costs leaves the CIPD well placed to thrive in the future.

It is our focus on the future that has truly shaped and defined our year. We're determined to ensure that the CIPD has the capacity and capability to support organisations in delivering sustained organisational performance through HR. That we're equipping HR professionals with the tools, skills and thought leadership to do this in their own organisations. And that we're there to help HR professionals navigate increasingly diverse and demanding HR careers, whatever stage they're at and whatever level they are aiming to reach.

We've comprehensively mapped and understood the HR landscape today. During the last year we have consulted widely and completed the largest



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assessment we've ever undertaken of the detailed needs and requirements of the HR profession.

At the heart of the results of all this data-gathering lies the CIPD HR Profession Map. We're using this to shape new professional development tools, new qualifications and new routes to CIPD membership. Taken together, these will provide HR professionals and their organisations with a truly flexible and dynamic means of building capability and driving their own professional development. It is, in essence, a complete reinvention of our Professional Standards, designed to maintain the rigour we are respected for, while ensuring we are far more flexible in our ability to meet the needs of specialists as well as generalists.

We've also put in place the building blocks for groundbreaking work to paint a picture of what HR will look like in the future. That combination of dealing with today, planning for tomorrow, and scanning the horizon to prepare for what the future holds is a good metaphor for effective HR. But it also neatly encapsulates our year.

The rest of this report looks back at our last year, but also looks ahead to the future we're mapping out for ourselves and the HR profession. We're on a transformational journey. We're pleased with the progress we've made in the last year. I hope you enjoy reading the report and that you're inspired to join us on the next stages in our journey.

A handwritten signature in black ink that reads 'Jackie Orme'.

Jackie Orme
Chief Executive



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For many in the HR profession, this has been a tough year. The recession has taken its toll. Behind the monthly headlines of rising unemployment lie thousands of individual cases of HR teams having to make redundancies, think innovatively to identify alternatives to redundancy, while never losing sight of the need to engage and motivate the people who remain in their posts, or to plan for the longer-term talent needs of the business.

Value of membership

With all this for HR to deal with, it is perhaps unsurprising that our membership numbers have continued to grow. We finished the year with over 135,500 members. Independent research commissioned by a coalition of professional bodies, supported by the CIPD and published this year, revealed the substantial economic benefits of membership of professional bodies such as the CIPD over a career. Such benefits are particularly valued in a tough jobs market. But we are never complacent. We've protected our valued suite of CIPD member services, while at the same time freezing 2009 CIPD membership fees at 2008 prices.

Professional development

Continuing to learn and develop is as important in tough times as it is in sunnier times. The number of people registering to study for a CIPD-accredited qualification has remained steady at nearly 13,000. These qualifications are delivered by our centres – the more than 250 universities, colleges and other providers that offer our courses.

The CIPD is also a direct provider of a wide range of 140 different courses and certificates, attracting nearly 6,400 individual learners over the course of the year. We've continued to offer courses in London and Manchester and have extended our offer to Birmingham – to maximise the accessibility of our courses to our customers.

The Postgraduate Certificate in the Psychology of Organisational Development and Change, and the Certificate and Advanced Certificates in Coaching and Mentoring, all delivered directly by the CIPD's commercial training operation, have proved particularly popular this year, as have our NVQs in HR and Training. We've seen an increase in international demand for our certificates, with our Management Skills and Employment Law portfolios accounting for the bulk of the rise.

The bespoke training services we offer to organisations have also had a good year. We've delivered over 600 tailored in-house training courses for a variety



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of employers. Through these courses we've reached over 6,000 delegates. We delivered in-house training courses to international businesses and other organisations in Europe, the United States, Ghana, Cyprus, India and the United Arab Emirates.

Conferences and exhibitions

Courses and qualifications are only one way of delivering learning. Our conferences and exhibitions are another popular means by which we are able to offer professionals the opportunity to hear about leading thinking and practice, pick up new ideas and network with their peers.

Over the last year more than 12,000 people attended our conferences and exhibitions – including the CIPD Annual Conference & Exhibition, HRD and our conferences in Scotland and Ireland.

The Annual Conference & Exhibition 2008 attracted nearly 5,000 people over the three days. The conference was built around key themes, including leadership, change, talent, engagement, strategy and innovation. Learning was delivered through a variety of seminar formats, including keynotes, masterclasses, case studies, workshops, interactive seminars, industry insights and panel discussions.

The exhibition included opportunities for free learning, with presentations on a range of key topics in the Exhibitor Exchange Showcase and a series of subject-specific 'theatres', covering subjects such as recruitment and talent management and employee benefits and reward.

In 2009 the CIPD Annual Conference & Exhibition completes its move to its new home in Manchester and its new November date. The new venue, Manchester Central, offers a more flexible space to work with and there is now one hall for the exhibition, making it easier for visitors and delegates to access the exhibition and navigate their way around the show. We're using the move to build a new-look programme reflecting all of the ten professional areas in our new HR Profession Map and designed to meet the needs of specialists and generalists working at all levels and in all sectors.

HRD, our annual learning and organisational development event, attracted more than 4,500 people in April 2009.



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The conference programme included an exclusive all-day organisational development masterclass – which sold out – led by Barbara Bunker and Billie Alban, pioneers of the OD discipline. It also featured Sir John Whitmore on the evolution of coaching in the workplace, Richard Reeves, director of think tank Demos, and Professor Edward Lawler, one of the world's leading management thinkers on organisational change.

A new and successful feature this year – which will be developed for future conferences – was MyEvent. This online and on-site networking forum is dedicated to enabling collaboration and the development of practice and ideas amongst delegates and speakers.

Publications and information

Our Publishing Department also plays a key part in promoting learning and development and improving HR practice.

This year we've launched a new range of high-quality training DVDs, designed to provide content for use in training courses, in the form of concise clips to demonstrate learning points. We launched six titles this year: *Performance Management*; *Persuade, Influence and Negotiate*; *Coaching Skills for Line Managers*; *Communicating in Difficult Situations*; *Selection Interviewing Skills*; and *Customer Service Skills in your Organisation*. The new products are proving to be an instant success, with significant take-up from customers.

We've continued to develop our successful toolkit series, which equips customers to design, deliver and evaluate high-quality training courses and organisational development programmes. We've also launched a series of mini-toolkits. New titles launched this year include *Time Management*, *Absence Management*, *HR Strategy* and *Icebreakers and Enliveners*.

Our textbooks continue to do well, with new editions of some of our leading textbook titles launched to continue to support CIPD qualifications and broader masters, MBA and undergraduate programmes in people management and development-related areas. New editions include *Human Resource Management at Work*, *Essentials of Employment Law*, *Learning and Development* and *Managing and Leading People*.

We have also focused significant attention this year on the development of a range of new online products, which will be launched in the coming months.



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These products are designed to support HR and learning and development professionals in their day-to-day work lives through the provision of up-to-date, relevant and easy-to-apply information and tools.

People Management

Our own magazine, *People Management*, is one of the top business magazines in the UK, with an audited circulation more than twice as large as any other magazine covering people management and development issues. It provides members with the latest news and jobs in HR, while also providing a forum for the latest thinking and debate and a platform for the delivery of handy practical advice, guidance and employment law updates. It is highly rated as a CIPD member benefit. Independent audience research confirms that it is also highly valued and widely read by many of our members' colleagues and others with an interest in the field.

This year there has been a major focus on the continued development of the peoplemanagement.co.uk website. The website complements the magazine with the best news coverage in the HR and employment field updated continuously throughout the working day. The fortnightly magazine then develops the top topics in more depth. A range of supplements on specialist topics have also been published in the last year.

Economic circumstances have significantly reduced the number of HR job vacancies, and thus the amount of recruitment advertising in the magazine. *People Management* remains the leading forum for HR recruitment advertising. However, the decline in the advertising markets has depressed revenues. This accounts for a major part of the decline in overall commercial revenues and the resultant short-term pressure on our finances.

Fit for the future

Overall, tough trading conditions have had an impact on our revenues and have led to a 51% decline in our commercial profits. This is a reflection of the impact of the recession on the sectors in which we operate. However, our performance has compared favourably with that of our competitors.

Nonetheless, our declining revenues made it necessary to make a concerted effort to reduce costs during the financial year. As so many organisations have found through the recession, despite significant cost savings in our non-staff costs, we found it necessary to make 41 redundancies in 2009.



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The reductions in our cost base have left us in strong shape for the future. We've taken great care to ensure the redundancies have delivered operational efficiencies while protecting member services and maintaining the quality of our commercial products and services. And our strong underlying financial position has ensured we have been able to keep investing in our strategic priorities, despite the tough economic conditions. We've taken tough decisions today while never losing sight of the need to plan for tomorrow or invest in the long-term future of the CIPD and the HR profession as a whole.



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Much of our focus this year has been on preparing for the future. We began by comprehensively mapping and understanding HR at its best today. We used this knowledge to construct the new CIPD HR Profession Map, which sets out what HR professionals need to know, what they need to do and how they need to do it to be effective in their roles.

By building a dynamic, multidimensional map, we've created a navigation tool capable of guiding anyone working in HR, at whatever stage in their career, in determining their current and future development needs, and the steps they need to take to meet those needs.

Setting standards

The Profession Map sits at the heart of our ambitious plans to build on and improve the support we are able to offer CIPD professionals throughout their careers. It recognises substantial changes in the HR profession. We've seen a shift from a primary focus of supporting line managers to manage their people well to one of delivering sustainable organisation capability and performance. There is greater specialism and an increasing globalisation of the profession, which also impacts on the nature of career paths. This means that successful HR professionals need to understand and know the business as much as they understand HR and need to be able to apply that knowledge in the workplace for the long-term benefit of the organisation. Behaviours – how HR professionals go about doing this – are of key importance and become more critical the more strategic the HR role.

We're setting a new standard for the modern professional to reflect these changes. Constructed with the aid of extensive consultation, the Profession Map replaces our existing Professional Standards. We're using it to establish a clear and rigorous new set of membership criteria, designed to meet the needs of employers and individual practitioners alike. For employers, the new criteria will provide the assurance that they're employing someone who holds a strong and relevant badge of competence and who is equipped to apply their knowledge in the workplace. For the individual, it will reinforce chartered status as a rigorous and relevant mark of capability applicable across sectors, roles and all types and sizes of organisation.



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Enabling diverse careers

By setting out a clear and detailed set of criteria, we're creating a flexible and usable common standard of professional competence at all levels of the profession. This standard will allow professionals to build development plans personalised to their own needs and aspirations and will equip us to build new routes to membership that reflect individual career paths, experience and knowledge.

New qualifications based on the Profession Map will also be launched in the coming year. And we'll be developing new products and services to assist members in using the map to successfully make the transition from one stage in their career to the next. As the year closed, we were well on the way to building an online professional development tool to bring the Profession Map to life for CIPD members considering their own development needs.

Supporting organisational effectiveness

The Profession Map will also give us the ability to support organisations in diagnosing the skills needs of their HR teams. The knowledge and behaviours covered in the map and enshrined in our new membership criteria will enable organisations to assess and benchmark HR capability in their organisation and to build structured professional development programmes to build those capabilities further.



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The CIPD is about more than just dealing with the world as it is today, or the certainties of tomorrow. We also seek to create debate, influence policy and practice, and to be the leading voice for the HR profession. It is our driving objective to lead thinking, anticipate future trends and to work with the profession to shape the very future of HR.

Next Generation HR

We've talked in this report about the work we're doing to equip HR professionals for their future careers. But building for the future is about more than just equipping people to grow through the career paths we see today. For the CIPD to continue to provide leadership for the profession, we need to be able to see further into the future. With this in mind, we have launched our Next Generation HR research project. Through this research we are seeking to identify the emergent trends and truly groundbreaking practice in HR today – so we can build a picture of what great HR will look like in ten years' time. Initial findings will be published at the CIPD's Annual Conference & Exhibition in Manchester in November, with more to come through the rest of the year and beyond.

Shaping HR practice

The Next Generation HR project is in addition to our well-established programme of research designed to support our members in their work and to advance HR capability. During the last year we have restructured the team to bring greater focus to the different strands of our work. Our new HR Capability Department, led by Director of HR Capability Stephanie Bird, picks up the HR practice elements of the work of the old Research and Policy Department, but integrates these even more closely with the rest of our work on the professional development of our members and the HR profession as a whole. Our aim in all we do is to ensure we are advancing HR capability – leading thinking and translating this into practical support for the profession.

In the past year our HR capability research has produced a wide range of outputs to meet the varied needs of specialists and generalists at different stages of their careers. Highlights from our research publications include *Talent Management in a Recession*, *Coaching at the Sharp End: The role of line managers in coaching*, *Web 2.0 and HR*, *Managing Diversity and the Business Case* and *Tapping into Talent: The age factor and generational issues*.

We have also introduced a new series of topical outputs, a number of which we grouped under the theme of 'HR in a downturn', reflecting the need to support HR people today. Engagement continues to be an important theme



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for our research. We have introduced a new series of quarterly surveys, *Employee Outlook*, to track employee attitudes and have also produced a directors' guide to employee engagement.

Engagement is also one of the themes that we are covering in our Shaping the Future research and engagement programme. Shaping the Future is the longitudinal action research study we embarked upon last year, which is exploring the keys to delivering sustainable organisational performance. We've identified the key drivers of high performance as falling into three main categories: engagement, leadership and organisation development. We're now carrying the research forward with a range of case study organisations already seeking to embark on a programme of change of their own volition, where they see one or more of the three categories of driver we have identified as key to the success of their work. In addition to the action research with our case study organisations, we'll also be exploring themes further through targeted research forums and short research papers.

We've also delivered our four popular annual tracking surveys, covering:

- absence management
- reward
- learning and development
- recruitment and retention.

These surveys provide us with valuable benchmarking and trends data on current HR practice, which we are then able to share with members and others with an interest in people management. The surveys are also popular with the media and we share the findings with policy-makers wherever appropriate and relevant.

Engagement with seniors

Our various high-profile research projects play a part in shaping the agenda of our HR Leaders' Networks. The invitation-only events we hold provide an opportunity for senior professionals to network with their peers. They've gone from strength to strength this year, contributing to the high-profile government-commissioned Macleod review on engagement, providing the platform to launch our Next Generation HR research project and offering a forum for some of the top HR directors in the country to debate topical and strategically important issues such as sustaining performance in a recession-hit economy and building leadership pipelines.



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Branches

Further networking opportunities for all our members are provided by our 48 regional branches. By providing local information and opportunities for face-to-face contact between members, and driven by the work of volunteer members, the branches provide a valued service to the wider membership. Over the last year they've run well over 900 events, covering topics from most areas of the CIPD HR Profession Map. Talent management and organisational design and development have been popular topics for events this year, while employment law updates have continued to prove popular. Combined attendance at these branch events topped 30,000, while production of local branch newsletters ensures that almost all our members receive something from the branch. During the year we embarked on a review of the services offered by the branches, with the objective of improving face-to-face member engagement, growing the number of members who benefit from branch activities and supporting our overall strategic objectives.

Policy profile and influence

During the last year CIPD Chief Economist John Philpott took on the additional role of Director of Public Policy. He and his team have secured tremendous profile for the CIPD as the authoritative voice on the labour market implications of the recession – both in the media and in the corridors of power.

During 2008–09, the Public Policy Team have significantly increased our profile and influence with key stakeholders. We were called as witnesses to three different House of Commons Committees on pay and reward, labour market and diversity issues. We gave evidence to the Fair Access to the Professions inquiry and provided our view on recruitment best practice.

There have been numerous mentions of CIPD research in debates in the Houses of Parliament, government department reports and Commons Select Committee publications – particularly our regular *Labour Market Outlook* and our annual *Learning and Development* and *Absence Management* surveys. We have been mentioned in debates in the Welsh Assembly and quoted in press releases by opposition parties. We sit on working groups for the Department for Work and Pensions, the renamed and restructured Department for Business, the Scottish Executive, and Equality and Human Rights Commission. In the last year we have had private meetings with several secretaries of state, government ministers, leading members of the opposition and advisers for the main political parties. We are making a conscious effort to build relationships across the political spectrum ahead of the impending general election.



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Specific events worth highlighting include John Philpott attending Gordon Brown's high-profile 'Jobs Summit' in January and Jackie Orme co-hosting the launch of the Graduate Talentpool initiative with the then Secretary of State for Universities and Skills John Denham MP.

Media profile

The Public Policy Department is also responsible for the overall media profile of the CIPD. Over the course of the year we've averaged over 300 media mentions every month, up from 240 in the previous year. Of these, we have averaged 33 mentions in the national press every month, up from 23 last year. We've also successfully targeted a higher profile on the broadcast media, appearing regularly throughout the year on high-profile national news programmes, with many more appearances on regional and local radio and TV stations.

Without question the driving force behind our national profile in the last year has been the recession-driven turbulence in the labour market. This has ensured that our chief economist has been in heavy demand for commentary and has ensured our regular analysis of current and future prospects and trends in the labour market – particularly our quarterly *Labour Market Outlook* – has met with a receptive audience. Other work that has generated particular interest in the media includes our newly launched *Employee Outlook* quarterly survey of employee attitudes and our response to major political occasions such as the Queen's Speech and the Budget. Debates around public policy issues such as the Agency Workers Directive, the default retirement age and the Equality Bill have also provided a media platform for our research and opinions.

All this has contributed to appearances on every major news and current affairs programme, from the *Today Programme* to *Newsnight* and from *BBC Breakfast* to *Channel 4 News*, as well as in every national newspaper and in respected journals such as *The Economist*.



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As reflected throughout this annual report, this has been a year of progress, change and transformation for the CIPD. We've been working hard to shape a bright future for the CIPD and for the HR profession, while contending with the harsh economic realities of today.

Our ability to build for the future while continuing to deliver an excellent service today relies entirely on the commitment, talent and effort of our people – staff and volunteers.

This is true at any time, but it has been particularly true in a year where cost pressures have made it necessary for us to make redundancies – on top of sustained savings on non-staff costs. In 2009 we made 41 staff redundant – made up of a mixture of voluntary and compulsory redundancies. We also accepted applications for sabbaticals and reduced working hours.

During and since the redundancies, we have continued to deliver an excellent service to our members and customers, while also making the progress on our strategic objectives illustrated throughout the rest of this report. This is a testament to the dedication and hard work of our people, for which we are grateful.

We've restructured to enable us to collaborate more effectively across teams in our work to meet these objectives. We've supported these changes with new internal communications initiatives, for example the introduction of monthly 'Time Out' sessions for all staff in which senior managers brief their teams on the latest developments in the business and then engage in discussion with teams about the implications of these developments for their work.

Recruitment and retention of staff

As at 30 June 2009 we employed 297 people, or 280.5 full-time equivalent members of staff. Seventeen per cent work part-time hours. It is crucial that we attract and retain high quality people, committed to the highest standards of customer service, to add value to the work of the CIPD and to effectively meet the needs of our members and customers.

There were a total of 77 vacancies filled in the last year. There were 57 external new starters and 20 internal appointments. In addition, we had a number of internal secondments, transfers and promotions. Therefore, 26% of vacancies were filled internally.



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The CIPD is an equal opportunities employer and operates in accordance with its diversity policy. The aim of our recruitment and selection policy is to ensure that the most suitable person is selected for the job on the basis of their relevant merits and abilities.

We monitor the profile of our people:

- 72% are female, including the chief executive and six out of the eight directors on our senior management team
- 1.4% report that they have a disability
- 12.5% report that they are from an ethnic minority.

Staff turnover, measuring all leavers, has increased because of the redundancies from 19.9% to 28%, but turnover counting only unplanned leavers has reduced from 16% to 13%.

The average length of service for staff has increased slightly to 5.9 years from 5.7 years last year.

We completed our regular survey of employee attitudes in January 2009. We received our highest ever response rate at 86.2% and staff satisfaction was at 82%, down slightly from the 85% recorded in 2008 but still high when benchmarked against similar organisations.

Much of the feedback remained the same as for 2008 and is demonstrated by the fact that, looking at employee engagement, we came fourth out of 57 other organisations in the survey database. Employee engagement looks at questions around employee advocacy and overall satisfaction; our score was 74.7 – just to demonstrate this, 96% agree they are committed to doing their very best for the CIPD.

Staff also believe that the work they do is valuable and worthwhile, interesting and fulfilling, that managers support them and, more so than last year, staff are encouraged to put forward ideas to improve the way we do things.



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Learning and development

The CIPD is committed to the development of all staff in order to deliver on our strategic objectives. In this time of change and transformation this is particularly important and we are prioritising training spend on activities directed towards the delivery of our strategic objectives.

In early 2009 we were successful in maintaining our Investors in People recognition.

We encourage a culture where staff development is a continuous process and is a key accountability of all managers. Staff are encouraged to develop their knowledge and skills and to work effectively, not only as individuals but also as members of teams.

We regularly review both the current and future training and development needs of staff, agree those needs and develop ongoing and targeted plans to meet the identified needs. Through performance and development reviews, managers identify individual training and development needs.

All managers are trained to provide ongoing coaching to support staff in meeting their development needs. We have just launched a new mentoring programme, which will contribute to developing our talented staff and stretch their potential even further.

The CIPD also encourages personal development and provides an annual allowance for training that is not directly work-related but will assist the individual's personal learning goals. We provide an on-site learning resource and IT training centre, and have also developed a number of staff to act as PC 'super users' throughout the business.

Over the year:

- Staff spent 640 days on formal off-the-job training, not including IT training.
- 21 members of staff were sponsored to complete a professional qualification.
- Our overall spend on staff training was 1.9% of the staff payroll.



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Performance

All staff have performance reviews with their manager. These provide an opportunity to discuss performance frankly and openly, including progress on personal development and against agreed objectives. Assessments are made against our six core behavioural competencies:

- business awareness
- building relationships
- problem-solving and decision-taking
- continuous improvement and innovation
- customer focused
- results-oriented.

Health and well-being

The CIPD remains committed to the health and well-being of its staff. We continue to offer a range of support services to promote good health, assist managers in dealing with health-related issues and ensure the working environment is supportive of staff needs.

We offer a telephone support helpline for staff, which is mainly used for non-work-related issues. The service covers everything from financial to relationship issues. By assisting with these issues, we're able to help staff be happier and healthier, and therefore perform better in their work. Where appropriate, we also offer face-to-face counselling.

We offer flu vaccinations each year to all staff, have health awareness and assessment days, provide occupational health facilities and offer free life assurance and critical illness cover for those who are in our defined benefit pension scheme. We provided guidance to staff on swine flu issues and what to do if they have symptoms. Fortunately, we were not really affected during the past year but we have contingency plans in place in case the situation worsens in the autumn and winter months.

Sickness absence is monitored closely, with quarterly reports going to the senior management team. Managers conduct back-to-work meetings when staff have been off sick. The average number of sick days per employee, for the year to 30 June 2009, was 4.9 days compared with 5.2 in 2007–08.

We have a culture that is very supportive of flexitime and flexible working – which is seen by staff as beneficial to their well-being and work–life balance.



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Over the past year we have maintained our commitment to environmental issues, which is important to the CIPD as an organisation but is also valued by the people we employ and others we engage with. We occupy a building that we designed with the latest technology to make best use of natural light and energy. We're committed to the reduction of our carbon footprint and minimising our impact as a company on the environment.

Environmental measures include:

- energy is supplied at a green tariff
- maximising our use of environmentally aware suppliers
- recycling plastic water cups
- recycling all our general waste to an energy plant that supplements electrical power supplies to the London area
- shredding and recycling all our paper waste.

Volunteer contribution

We are very fortunate to have a high number of volunteers in a range of roles for the CIPD and we are extremely grateful to them for all the hard work and time they give to us and on behalf of the profession.

This includes 15 members of the board, who are the CIPD's non-executive directors and trustees, and seven vice-presidents. In addition our 48 branch council representatives, along with the board, form the CIPD's Council. A further 30 people are involved in the Membership and Education Committee and its subcommittees. Over 80 people are members of upgrading panels and many more work at branch or national level to advance our Professional Standards. Members of the CIPD's Nominations and Professional Conduct Committee and the Professional Policy Committee also serve in a voluntary capacity.

In addition, there are over 900 people who serve on the local 48 branch committees throughout the UK and Ireland. We also have 79 geographical groups and a number of special interest groups providing a local professional network; all of these are organised on a volunteer basis. They run events to support members in their professional development and upgrading, make links with centres offering CIPD courses and enable member networking. Members are also involved in facilitating online communities and special interest forums.



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We run induction events for all these people and also provide ongoing support, training and development. On average our volunteers spend ten days a year on their various voluntary CIPD activities, though many give much more than this.

In early 2009, we formed a 'future of branches' working party consisting of branch chairs and representatives from the Institute. The purpose of the group is to explore and recommend options to improve face-to-face member engagement to meet member needs, support CIPD strategic objectives and grow the number of members who interact with local branch activities.



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Over a third of the total income arose from members' subscriptions. The turnover from the CIPD's commercial activities, which are operated through the wholly owned subsidiary CIPD Enterprises Limited, fell back from last year's figure of over £20 million, reflecting the difficult trading conditions associated with events and recruitment advertising in particular.

Net incoming resources for the year, before designated fund expenditure, was almost £3 million. Over £5.5 million was spent from designated funds, the majority being targeted at IT projects and development of the HR Profession Map that will underpin the Institute's qualifications and professional development from 2010.

The FRS 17 valuation of the defined benefit pension scheme at 30 June 2009, as determined by the Institute's appointed actuary, showed a decrease in the deficit by £1.1 million to £6 million. This reflects a lower inflation assumption and the slight increase in the discount rate used to discount the liabilities. The discount rate is based on high-quality corporate bond rates with terms to maturity approximating to the terms of the pension liability.

Investments

The CIPD aims to improve the real buying power of its investments and has adopted a target return relative to RPI. The Institute seeks to maximise the investment return on assets while not investing in any assets that could put the CIPD at significant risk.

Net losses on investment assets over the year were £4.1 million – the main losses arising from fund holdings in equities, commodities and property. Negative returns in these areas were partly mitigated by holding a diverse range of asset classes and using a number of different specialist managers. The asset allocation and fund manager performance are tracked by the Institute's investment adviser and rebalancing decisions are considered quarterly.

The market value of the investment assets held at the year end was £16.1 million compared with £20.1 million at 30 June 2008.



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Reserves and funds

The Institute follows a policy of aiming to keep sufficient reserves in the general fund to meet at least one year's operating costs. The general fund as at 30 June 2009 was £19.6 million after deducting the pension liability. This is £4 million below the figure required by the policy, largely due to the unrealised losses on our investment assets. We have gone through a recent cost review exercise, including staff redundancies, which together with other initiatives will contribute towards the elimination of this deficit. The Institute also keeps reserves as designated funds, which are set aside for specific purposes in the near future, and has a policy of keeping £1 million in cash and readily available funds at any given time.

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Summary statement of financial activities for the year ended 30 June 2009

	2009 £'000	2008 £'000
Incoming resources		
Charitable activities		
To advance the management and development of people through:		
Education and membership services	17,208	16,367
Research, innovation and dissemination of expertise	195	109
Branches	1,293	1,539
Generating funds		
Commercial income	17,718	20,315
Investment income	937	1,107
Total incoming resources	37,351	39,437
Resources expended		
Charitable activities		
To advance the management and development of people through:		
Education and membership services	(12,064)	(10,085)
Research, innovation and dissemination of expertise	(6,761)	(6,638)
Branches	(4,208)	(4,163)
Cost of generating funds		
Commercial expenditure	(16,602)	(17,378)
Investment management costs	(61)	(53)
Governance costs	(205)	(195)
Total resources expended	(39,901)	(38,512)
Net (outgoing)/incoming resources	(2,550)	925
Other recognised gains and losses		
Net losses on investment assets	(4,107)	(1,086)
Actuarial gains/(losses) on pension scheme	1,193	(4,869)
Net movement in funds	(5,464)	(5,030)
Fund balances brought forward	28,864	33,894
Net fund balances carried forward	23,400	28,864

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Summary balance sheet at 30 June 2009

	2009 £'000	2008 £'000
Fixed assets		
Tangible assets	11,448	11,832
Investments	16,131	20,095
	27,579	31,927
Current assets		
Stocks of goods for resale	471	284
Debtors	4,240	5,277
Cash at bank and in hand	9,893	11,393
	14,604	16,954
Creditors		
Amounts falling due within one year	(12,808)	(12,965)
Net current assets	1,796	3,989
Net assets excluding pension liability	29,375	35,916
Defined benefit pension scheme liability	(5,975)	(7,052)
Net assets	23,400	28,864
Funds		
General fund	25,618	31,541
Pension liability	(5,975)	(7,052)
Net general fund	19,643	24,489
Designated funds:		
Building fund	1,301	1,355
Information technology fund	324	436
New learning fund	403	575
Research and development fund	917	665
Strategic initiatives fund	812	1,344
Total designated funds	3,757	4,375
Total funds (all unrestricted)	23,400	28,864



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Summary statement of cash flows for the year ended 30 June 2009

	2009	2008
	£'000	£'000
Net cash (outflow)/inflow from operating activities	(2,111)	558
Returns on investments	960	1,093
Capital expenditure and financial investment	(349)	(2,988)
Decrease in net funds	(1,500)	(1,337)
Decrease in funds placed on long term deposit	(4,500)	(1,470)
Increase in cash and bank	3,000	133

The summary financial statements were approved by the directors on 23 September 2009 and signed on their behalf by Vicky Wright, President, and Chris Garcia, Honorary Treasurer.



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Summary directors' report

CIPD is established to advance the art and science of the management and development of people for the public benefit. It is the leading professional body in the United Kingdom and Republic of Ireland for all those specialising in the management and development of people.

The document in which this summary report is published contains an overview of the Institute's key activities and achievements during the year, including: membership growth; new research, guidance and online resources for our members and the wider public; a greater profile and impact for our research and other work; and our contribution to public policy.

This financial statement and directors' report gives a summary of the information contained in the directors' report and financial statements for the year ended 30 June 2009. The full statutory report and financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting and reporting by charities' (SORP 2005). The report and financial statements were approved by the directors on 23 September 2009, have been audited and received an unqualified audit report and will be sent to the Charity Commissioners.

The summary financial statement is not the Institute's statutory accounts. For a full understanding of the results of the group you can access the annual review, statutory directors' report and financial statements on the web at www.cipd.co.uk/annualreport or obtain a hard copy from the enquiry team on 020 8612 6210 or annualreport@cipd.co.uk.

By order of the Board

Marianne Wyles FCIS

Secretary

23 September 2009



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Independent auditors' statement to the members of the Chartered Institute of Personnel and Development

We have examined the summarised financial statements of the Chartered Institute of Personnel and Development. This statement is made solely for its members and to the fullest extent permitted by law we do not accept or assume responsibility to anyone other than its members for this statement.

Respective responsibilities of the directors and auditors

The Directors are responsible for preparing the summarised annual report in accordance with the applicable law. Our responsibility is to report to you our opinion on the consistency of the summarised financial statements with the full financial statements. We read the other information contained within the annual report and summary financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the summarised financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summarised financial statement' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the summarised financial statements are consistent with the full financial statements of the Chartered Institute of Personnel and Development for the year ended 30 June 2009.

GRANT THORNTON UK LLP

Chartered Accountants
Registered Auditor
Melton Street
Euston Square
London
NW1 2EP

25 September 2009



Board directors

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Executive Board membership at 30 June 2009

Sue Adams Chartered FCIPD, Elected Director

Sue runs her own business as an HR management consultant. She previously held HR director roles within the public and private sectors including. She was elected to the Board by Council in May 2004 and in August 2005 was appointed to the Board of CIPD Enterprises Limited. She is a member of the Audit Committee.

James Cullens Chartered FCIPD, Elected Director

James is the Group HR Director at Hays plc, the global specialist recruitment group. James is currently a Non-Executive Director on the International Advisory Board of the Open University Business School. James was appointed to the Board at the September 2008 Board meeting.

Martin Ferber Chartered CCIPD, Elected Director

Martin Ferber is the HR Director for the International Region of the R & D function of Pfizer – a global pharmaceutical company, and Chair of Trustees for Pfizer's Group Pension Scheme. He has previously held the post of Vice President International with the CIPD and was elected to the Board in April 2009.

Martin is also a member of and contributor to the Editorial Board of Human Resource Management Journal and an assessor for the Queen's Prize for Innovation in Further and Higher Education.



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Louise Fisher Chartered FCIPD, Elected Director

Louise serves as the European HR Director for Xerox Global Services. In this newly created role, she ensures that Xerox develops and implements strategies that enable the company to expand its pool of knowledgeable personnel and reach its services business growth targets. Louise was elected to the CIPD Board in May 2008 and is a member of the Audit Committee.

Chris Garcia Chartered CCIPD, Honorary Treasurer

Chris Garcia is Chief Executive of CN Resources, a consulting business which works with a number of Regional Development Agencies and several government departments supporting their business growth and cluster development activities.

Chris was elected as Honorary Treasurer in October 2006 to serve for three years. As such he chairs the Audit Committee, is a member of the Professional Policy Committee, the Investment Working Party and the Remuneration Committee.

Geoff Hirst Chartered FCIPD, Elected Director

Geoff is an independent consultant. He is Non-Executive Director of an adult and children's hospice and sixth form college, and chairs the Council of a 2,500-resident village.

He is an External Examiner at Middlesex University and a CIPD External Moderator. He was elected to the Board at the May 2006 Council meeting. He is a member of the Audit Committee.

Frank Hogan Chartered FCIPD, Elected Director

Frank is HR Business Partner for Royal Mail, Manchester. He is a director and trustee of Skylight Circus Arts, a charity. He was elected to the Board by Council in May 2004 and re-elected in May 2007.



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Mike Kelly Chartered CCIPD, Vice-President Membership and Education

Mike is an Associate Dean at Leeds Metropolitan University, where he acts as an internal consultant. He's a QAA academic reviewer and institutional auditor and a member of the Association of Business Schools' Programmes Committee. He chairs the Learning Steering Group for the Academy of Sustainable Communities and a Special Interest Group on Assessment Management for the Higher Education Academy. He also acts as a consultant to a number of UK business schools.

Mike joined the Board when he was elected Vice-President Membership and Education in October 2006. He chairs the Membership and Education Committee and is a member of the Professional Policy Committee.

Stephen Moir Chartered FCIPD, Elected Director

Stephen is the Corporate Director: People, Policy and Law for Cambridgeshire County Council with a wide remit of responsibility including corporate strategy, organisational development, HR, legal and democratic services.

Stephen is also the immediate Past President of the PPMA (Public Sector People Managers' Association) which represents in excess of 900 senior HR professionals working across public services. He was elected to the CIPD Board in April 2009.

Brid O'Brien Chartered FCIPD, Elected Director

Brid is the HR Director for Meteor Mobile Communications Limited, a wholly owned subsidiary of eircom Group plc. Since 1995, Brid has played an active role in the CIPD in Ireland and contributes to best practice in the field of Irish employee relations. She was elected to the Board by Council in May 2006. She is a member of the Audit Committee.



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Jackie Orme Chartered FCIPD, Chief Executive

Jackie Orme has been Chief Executive of the Chartered Institute of Personnel and Development (CIPD) since April 2008.

Prior to joining the CIPD Jackie Orme spent 12 years working for PepsiCo – including 7 years leading the UK and Ireland HR function and sitting on both the UK Executive Board of PepsiCo International and the global PepsiCo International HR Council.

She joined the CIPD's Board in July 2008, becoming a member of its Professional Policy Committee, Nominations and Professional Conduct Committee and Investment Working Party.

Dean Royles Chartered FCIPD, Chair

Dean became chair of the CIPD in April 2009 and has served on the Board since 2005. He is also a member of the Audit Committee.

Dean is Director of Workforce and Education for NHS Northwest (the Strategic Health Authority for North West England) where he has responsibility for a budget of £650 million to invest in the training and education of healthcare staff.

Jacky Taylor Chartered FCIPD, Elected Director

Jacky is Director of Corporate Services at Outlook Care and has responsibility for all HR, Training Learning and Development, Quality Assurance and Office Management functions within the organisation. Jacky joined the organisation in 1993 and was promoted to the post of Director in 1998. Jacky participated in several round table discussions with the Government, ACAS and the DTI during consultation on the Information and Consultation Regulations.

Outside of work, Jacky has set up a local playgroup and served as a School Governor. Prior to becoming a Non-Executive Director of the CIPD, Jacky was a Trustee of St Luke's Hospice in Basildon and a Director of their trading arm.



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Lord Wilson of Dinton, Immediate Past President

Richard Wilson entered the Civil Service as an Assistant Principal in the Board of Trade in 1966. He subsequently served in a number of departments including 12 years in the Department of Energy where his responsibilities included nuclear power policy, the privatisation of Britoil, personnel and finance. He headed the Economic Secretariat in the Cabinet Office from 1987-90 and he became Permanent Under Secretary of the Home Office in 1994 and Secretary of the Cabinet and Head of the Home Civil Service in January 1998. Since his retirement in September 2002 he has been Master of Emmanuel College, Cambridge.

Lord Wilson is past President of the Institute, having taken office in October 2004. He has been a member of the Executive Board since he became President Elect in October 2003. He chairs the Nominations and Professional Conduct Committee.

Vicky Wright Chartered FCIPD, President

In 2005 Vicky joined Watson Wyatt as a consulting associate as part of a portfolio of roles alongside being a trustee of the Royal National Lifeboat Institution and a Visiting Professor at Middlesex University Business School. Vicky is the CIPD's President. She became a member of the Executive Board following her election as President Elect in October 2005. She chairs the Professional Policy Committee and the Remuneration Committee.



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Members of Council as at 30 June 2009

Executive Board

Vicky Wright
President

Dean Royles
Chair, Executive Board

Chris Garcia
Honorary Treasurer

Jackie Orme
Chief Executive

Richard Wilson
(Lord Wilson of Dinton)
Immediate Past President

Michael Kelly
Vice-President Membership
and Education

Sue Adams
Elected Director

James Cullens
Elected Director

Martin Ferber
Elected Director

Louise Fisher
Elected Director

Geoff Hirst
Elected Director

Frank Hogan
Elected Director

Stephen Moir
Elected Director

Brid O'Brien
Elected Director

Jacky Taylor
Elected Director

CIPD Vice-Presidents

David Fairhurst
Vice-President, Learning,
Training and Development

John Beadle
Vice-President, Reward

Michael Kelly
Vice-President, Membership
and Education

Tony McCarthy
Vice-President, Employee
Relations

Siobhan Cummins
Vice-President, International

Tim Miller
Vice-President, Organisation
and Resourcing

Jon Sparkes
Vice-President, Diversity



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Branch Council Representatives

Branch	Name
Bedfordshire and Milton Keynes	Colin Rodden
Birmingham	Ann Sherlock
Black Country	Nick Ioannides
Central London	Michael Moran
Central Southern	Engin Mustafa
Chiltern	Jennifer Whitesmith
Coventry and Warwickshire	Bob Chambers
Cumbria	Jane Saunders-Brown
Derbyshire and Nottinghamshire	Michael Blake
Devon and Cornwall	Jennifer Brady
Essex, Ipswich and East London	Samantha Mott
Gloucestershire	Rebecca Henderson
Guernsey	Gillian Gorvel
Hereford and Worcestershire	Tracey Arlott
Hertfordshire	John Stevens
Humber	Kate Plumb
Ireland	Brid O'Brien
Kent	Nicholas Fox
Lancashire	John Ashcroft
Leicestershire	John Kenney
Lincolnshire	Jennifer Johnson
Manchester	Pauline Parrett
Merseyside, North Cheshire and North Wales	David James



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Dawn Murat

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Mid Scotland

Sandy Wilkie

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North East of England

Tony Leather

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North London

Susie Leigh

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North Scotland and Islands

David Caddick

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North Staffordshire and South
Cheshire

Sue Roberts

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North Yorkshire

Michael Millward

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Northamptonshire

Helen Askey

Northern Ireland

Peter Aiken

Shropshire and Mid Wales

Gina Billington

South East Scotland

Carole Symington

South East Thames

John Campbell

South East Wales

Gill Parker

South London

Brenda English

South West London

Mary O'Shea

South West Wales

Henry Gilbert

South Yorkshire and District

Jenny Bristow

Sussex

Gill Whensley

Swindon and North Wiltshire

Martyn Melville

Tees Valley

Peter McLinn

Thames Valley

Suzanne Ingman

Wessex

Monica Key

West London

Jane Pepe

West of England

Rick Glover

West of Scotland

Donald Gordon

West Yorkshire

Jean Mooney



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