Pearson
BTEC Level 3 Award
in Principles of Management

Pearson
BTEC Level 3 Certificate
in Principles of Management

Specification

BTEC Specialist qualification

First teaching January 2015

Issue 2

Edexcel, BTEC and LCCI qualifications

Edexcel, BTEC and LCCI qualifications are awarded by Pearson, the UK's largest awarding body offering academic and vocational qualifications that are globally recognised and benchmarked. For further information, please visit our qualifications website at qualifications.pearson.com. Alternatively, you can get in touch with us using the details on our contact us page at qualifications.pearson.com/contactus

About Pearson

Pearson is the world's leading learning company, with 35,000 employees in more than 70 countries working to help people of all ages to make measurable progress in their lives through learning. We put the learner at the centre of everything we do, because wherever learning flourishes, so do people. Find out more about how we can help you and your learners at qualifications.pearson.com

This specification is Issue 2. Key changes are listed in the summary table on the next page. We will inform centres of any changes to this issue. The latest issue can be found on the Pearson website: qualifications.pearson.com

This qualification was previously known as:

Pearson BTEC Level 3 Award and Certificate in Principles of Management (QCF)

The QN remains the same.

References to third party material made in this specification are made in good faith. Pearson does not endorse, approve or accept responsibility for the content of materials, which may be subject to change, or any opinions expressed therein. (Material may include textbooks, journals, magazines and other publications and websites.)

All information in this specification is correct at time of publication.

Summary of Pearson BTEC Level 3 Award and Certificate in Principles of Management specification Issue 2 changes

Summary of changes made between previous issue and this current issue	Section number
All references to QCF have been removed throughout the specification	
Definition of TQT added	Section 1
Definition of sizes of qualifications aligned to TQT	Section 1
Credit value range removed and replaced with lowest credit value for the shortest route through the qualification	Section 2
TQT value added	Section 2
GLH range removed and replaced with lowest GLH value for the shortest route through the qualification	Section 2
Reference to credit transfer within the QCF removed	Section 5
QCF references removed from unit titles and unit levels in all units	Section 12
Guided learning definition updated	Section 12

Earlier issue(s) show(s) previous changes.

If you need further information on these changes or what they mean, contact us via our website at: qualifications.pearson.com/en/support/contact-us.html.

Contents

Purpose of this specification

The purpose of a specification as defined by Ofqual is to set out:

- the qualification's objective
- any other qualification that a learner must have completed before taking the qualification
- any prior knowledge, skills or understanding that the learner is required to have before taking the qualification
- units that a learner must have completed before the qualification will be awarded and any optional routes
- any other requirements that a learner must have satisfied before they will be assessed or before the qualification will be awarded
- the knowledge, skills and understanding that will be assessed as part of the qualification (giving a clear indication of their coverage and depth)
- the method of any assessment and any associated requirements relating to it
- the criteria against which the learner's level of attainment will be measured (such as assessment criteria)
- any specimen materials
- any specified levels of attainment.

1 Introducing BTEC Specialist qualifications

What are BTEC Specialist qualifications?

BTEC Specialist qualifications are work-related qualifications available from Entry to Level 3 in a range of sectors. They give learners the knowledge, understanding and skills they need to prepare for employment in a specific occupational area. The qualifications also provide career development opportunities for those already in work. The qualifications may be offered as full-time or part-time courses in schools or colleges. Training centres and employers may also offer these qualifications.

Sizes of Specialist qualifications

For all regulated qualifications, we specify a total number of hours that learners are expected to undertake in order to complete and show achievement for the qualification – this is the Total Qualification Time (TQT). The TQT value indicates the size of a qualification.

Within the TQT, we identify the number of Guided Learning Hours (GLH) that a centre delivering the qualification needs to provide. Guided learning means activities that directly or immediately involve tutors and assessors in teaching, supervising, and invigilating learners, for example lectures, tutorials, online instruction and supervised study.

As well as guided learning, there may be other required learning that is directed by tutors or assessors. This includes, for example, private study, preparation for assessment and undertaking assessment when not under supervision, such as preparatory reading, revision and independent research.

As well as TQT and GLH, qualifications can also have a credit value – equal to one tenth of TQT, rounded to the nearest whole number.

TQT and credit values are assigned after consultation with users of the qualifications.

BTEC Specialist qualifications are available in the following sizes:

- Award – a qualification with a TQT value of 120 or less
  (equivalent to a range of 1–12 credits)

- Certificate – a qualification with a TQT value in the range of 121–369
  (equivalent to a range of 13–36 credits)

- Diploma – a qualification with a TQT value of 370 or more
  (equivalent to 37 credits and above).

2 Qualification summary and key information

Qualification title	Pearson BTEC Level 3 Award in Principles of Management
Qualification Number (QN)	601/5292/8
Accreditation start date	05/12/2014
Approved age ranges	16-18
	19+
Credit value	8
Assessment	Centre-devised assessment (internal assessment).
Total Qualification Time (TQT)	80
Guided learning hours	64
Grading information	The qualification and units are at pass grade.
Entry requirements	No prior knowledge, understanding, skills or qualifications are required before learners register for this qualification. However, centres must follow our access and recruitment policy (see *Section 10 Access and recruitment*).

Qualification title	**Pearson BTEC Level 3 Certificate in Principles of Management**
Qualification Number (QN)	601/5293/X
Accreditation start date	05/12/2014
Approved age ranges	16-18
	19+
Credit value	19
Assessment	Centre-devised assessment (internal assessment).
Total Qualification Time (TQT)	190
Guided learning hours	121
Grading information	The qualification and units are at pass grade.
Entry requirements	No prior knowledge, understanding, skills or qualifications are required before learners register for this qualification. However, centres must follow our access and recruitment policy (see *Section 10 Access and recruitment*).

Qualification Number and qualification title

Centres will need to use the Qualification Number (QN) when they seek public funding for their learners. Qualifications eligible and funded for post-16-year-olds can be found on the funding Hub. The Skills Funding Agency also publishes a funding catalogue that lists the qualifications available for 19+ funding.

The qualification title, unit titles and QN are given on each learner's final certificate. You should tell your learners this when your centre recruits them and registers them with us. There is more information about certification in our *UK Information Manual,* available on our website at: qualifications.pearson.com.

Qualification objective

The Pearson BTEC Level 3 Award in Principles of Management is designed to provide learners with an introduction to the occupational knowledge and attitudes that are required for employment in roles such as Trainee Manager and Assistant Manager. Learners may already be in employment in one of these roles, be newly appointed or have the intention to work in one of these roles.

It gives learners the opportunity to:

- develop an understanding of the core underpinning knowledge to support employment in the job roles mentioned above. This includes an understanding of the application of different management styles and theories, the functions and responsibilities of management, the decision-making process and the principles and practices of managing business and individual performance.

- progress to and from Management Apprenticeships. Notably a) from Level 2 Apprenticeships and Team Leading qualifications; b) provide a scaffold for the knowledge learners require in order to move into the Level 3 Management Advanced Apprenticeship or other relevant Level 3 qualifications

- achieve a nationally-recognised Level 3 qualification

- develop their own personal growth and engagement in learning.

The Pearson BTEC Level 3 Certificate in Principles of Management builds on the focus from the Level 3 Award, to provide learners with broader knowledge and understanding to support their employment in the roles stated above, or support employment in roles with additional responsibilities such as Section Manager or First Line Manager. Learners may already be in employment in one of these roles, be newly appointed or have the intention to work in one of these roles.

It gives learners the opportunity to:

- develop knowledge, understanding and attitudes that supports personal performance and development and wider cross-functional processes and activities. This includes knowledge of how to manage own performance and development, legal and functional organisational structures, recruitment and selection, financial management, and the practices of developing and maintaining productive working relationships.

- develop additional knowledge and understanding to support employment in roles with additional responsibilities. This includes knowledge of business planning and reporting, implementing change and business performance measurement and improvement.

- progress to and from Management Apprenticeships. Notably a) from Level 2 Apprenticeships and Team Leading qualifications; b) provide a scaffold for the knowledge learners require in order to move into the Level 3 Management Advanced Apprenticeship c) provide a foundation of knowledge for learners wishing to progress into a Level 4 Management qualification

- achieve a nationally-recognised Level 3 qualification

- develop their own personal growth and engagement in learning.

Relationship with previous qualifications

These qualifications are direct replacements for the Pearson BTEC Level 3 Award in Management and Pearson BTEC Level 3 Certificate in Management that have now expired. Information about how the new and old units relate to each other is given in *Annexe B*.

Progression opportunities through Pearson qualifications

Learners who have achieved the Pearson BTEC Level 3 Award or Certificate in Principles of Management can progress to the Pearson BTEC Level 3 Diploma in Management (Apprenticeship). They can also progress to the Pearson Edexcel Level 4 NVQ Diploma in Management and Pearson BTEC Level 4 Diploma in Management and Leadership that together form the Higher Apprenticeship in Management. With further development, learners can also progress into job roles requiring a more complex set of skills, such as Manager, Head of Function, and Area Manager.

Industry support and recognition

These qualifications are supported by Skills CFA, the Sector Skills Council for pan-sector business skills.

3 Qualification structures

Pearson BTEC Level 3 Award in Principles of Management

The learner will need to meet the requirements outlined in the table below before Pearson can award the qualification.

Number of credits that must be achieved	8

Unit	Unit reference number	Mandatory units	Level	Credit	Guided learning hours
1	F/506/8768	Principles of Leadership and Management Styles	3	4	32
2	T/506/8766	Principles of Managing Performance	3	4	32

Pearson BTEC Level 3 Certificate in Principles of Management

The learner will need to meet the requirements outlined in the table below before Pearson can award the qualification.

Number of credits that must be achieved	19
Number of mandatory credits that must be achieved	11
Number of optional credits that must be achieved	8

Unit	Unit reference number	Mandatory units	Level	Credit	Guided learning hours
1	F/506/8768	Principles of Leadership and Management Styles	3	4	32
2	T/506/8766	Principles of Managing Performance	3	4	32
3	A/506/8767	Understanding Personal and Professional Development	3	3	22
Unit	**Unit reference number**	**Optional units**	**Level**	**Credit**	**Guided learning hours**
4	J/506/8769	Understanding the Implementation of Change	3	4	31
5	M/506/8670	Principles of Business Planning and Reporting *Barred unit: Principles of Business*	3	6	50
6	A/506/8770	Understanding Recruitment and Selection	4	4	34
7	H/506/8648	Principles of Business *Barred unit: Principles of Business Planning and Reporting*	3	3	21
8	D/506/8647	Understanding How to Develop and Maintain Productive Working Relationships in Business Environments	3	2	15
9	M/506/4456	Business Performance, Measurement and Improvement	4	6	20
10	T/506/4457	Understanding Organisational Structure, Culture and Values	4	6	20

Pearson recommends that learners do not complete both units 9 and 10 towards achievement of the overall credit value.

Centres should be aware that within the Level 3 qualification in this specification, learners may be required to meet the demands of unit(s) at Level 4. Centres are advised to consider the support, guidance and opportunities they give to learners to meet the demands of the higher-level unit(s) during delivery and assessment of the qualification/s.

4 Assessment

The table below gives a summary of the assessment methods used in the qualifications.

Units	Assessment method
All units	Centre-devised assessment

Centre-devised assessment (internal assessment)

Each unit has specified learning outcomes and assessment criteria. To pass an internally assessed unit, learners must meet all of the unit's learning outcomes. Centres may find it helpful if learners index and reference their evidence to the relevant learning outcomes and assessment criteria.

Centres need to write assignment briefs for learners to show what evidence is required. Assignment briefs should indicate clearly which assessment criteria are being targeted.

Assignment briefs and evidence produced by learners must meet any additional requirements given in the *Information for tutors* section of each unit.

Unless otherwise indicated in *Information for tutors*, the centre can decide the form of assessment evidence (for example performance observation, presentations, projects, tests, extended writing) as long as the methods chosen allow learners to produce valid, sufficient and reliable evidence of meeting the assessment criteria.

Centres are encouraged to give learners realistic scenarios and to maximise the use of practical activities in delivery and assessment.

To avoid over-assessment, centres are encouraged to link delivery and assessment across units.

There is more guidance about internal assessment on our website. For details please see *Section 13 Further information and useful publications*.

5 Recognising prior learning and achievement

Recognition of Prior Learning

Recognition of Prior Learning (RPL) is a method of assessment (leading to the award of credit) that considers whether a learner can demonstrate that they can meet the assessment requirements for a unit through knowledge, understanding or skills they already possess and so do not need to develop through a course of learning.

Pearson encourages centres to recognise learners' previous achievements and experiences in and outside the workplace, as well as in the classroom. RPL provides a route for the recognition of the achievements resulting from continuous learning.

RPL enables recognition of achievement from a range of activities using any valid assessment methodology. If the assessment requirements of a given unit or qualification have been met, the use of RPL is acceptable for accrediting a unit, units or a whole qualification. Evidence of learning must be sufficient, reliable and valid.

Further guidance is available in our policy document *Recognition of Prior Learning Policy and Process*, available on our website at:
http://qualifications.pearson.com/en/support/support-topics/understanding-our-qualifications/policies-for-centres-learners-and-employees.html

6 Centre resource requirements

As part of the approval process, centres must make sure that the resource requirements below are in place before offering the qualification.

- Centres must have appropriate physical resources (for example IT, learning materials, teaching rooms) to support delivery and assessment.
- Staff involved in the assessment process must have relevant expertise and occupational experience.
- There must be systems in place that ensure continuing professional development (CPD) for staff delivering the qualifications.
- Centres must have in place appropriate health and safety policies relating to the use of equipment by learners.
- Centres must deliver the qualifications in accordance with current equality legislation. For further details on Pearson's commitment to the Equality Act 2010, please see *Section 10 Access and recruitment* and *Section 11 Access to qualifications for learners with disabilities or specific needs*. For full details of the Equality Act 2010, please go to www.legislation.gov.uk

7 Centre recognition and approval centre recognition

Centres that have not previously offered Pearson qualifications need to apply for, and be granted, centre recognition as part of the process for approval to offer individual qualifications.

Existing centres will be given 'automatic approval' for a new qualification if they are already approved for a qualification that is being replaced by a new qualification and the conditions for automatic approval are met.

Guidance on seeking approval to deliver BTEC qualifications is given on our website.

Approvals agreement

All centres are required to enter into an approval agreement that is a formal commitment by the head or principal of a centre to meet all the requirements of the specification and any associated codes, conditions or regulations.

Pearson will act to protect the integrity of the awarding of qualifications. If centres do not comply with the agreement, this could result in the suspension of certification or withdrawal of approval.

8 Quality assurance of centres

Quality assurance is at the heart of vocational qualifications. The centre assesses BTEC qualifications. The centre will use quality assurance to make sure that their managers, internal verifiers and assessors are standardised and supported. Pearson use quality assurance to check that all centres are working to national standards. It gives us the opportunity to identify and provide support, if needed, to safeguard certification. It also allows us to recognise and support good practice.

For the qualifications in this specification, the Pearson quality assurance model will follow one of the processes listed below.

1   Delivery of the qualification as part of a BTEC Apprenticeship ('single click' registration):

- an annual visit by a Standards Verifier to review centre-wide quality assurance systems and sampling of internal verification and assessor decisions.

2   Delivery of the qualification outside the Apprenticeship:

- an annual visit to the centre by a Centre Quality Reviewer to review centre-wide quality assurance systems

- Lead Internal Verifier accreditation – this involves online training and standardisation of Lead Internal Verifiers using our OSCA platform, accessed via our website. Please note that not all qualifications will include Lead Internal Verifier accreditation. Where this is the case, each year we will allocate a Standards Verifier to conduct postal sampling of internal verification and assessor decisions for the Principal Subject Area.

For further details please see the *UK Vocational Quality Assurance Handbook* on our website.

9 Programme delivery

Centres are free to offer these qualifications using any mode of delivery (for example full-time, part-time, evening only, distance learning) that meets their learners' needs. Whichever mode of delivery is used, centres must make sure that learners have access to the resources identified in the specification and to the subject specialists delivering the units.

Those planning the programme should aim to enhance the vocational nature of the qualification by:

- liaising with employers to make sure that a course is relevant to learners' specific needs

- accessing and using non-confidential data and documents from learners' workplaces

- developing up-to-date and relevant teaching materials that make use of scenarios that are relevant to the sector

- giving learners the opportunity to apply their learning in practical activities

- including sponsoring employers in the delivery of the programme and, where appropriate, in assessment

- making full use of the variety of experience of work and life that learners bring to the programme.

Where legislation is taught, centres must ensure that it is current and up to date.

10 Access and recruitment

Pearson's policy regarding access to our qualifications is that:

- they should be available to everyone who is capable of reaching the required standards

- they should be free from any barriers that restrict access and progression

- there should be equal opportunities for all those wishing to access the qualifications.

Centres are required to recruit learners to BTEC Specialist qualifications with integrity.

Applicants will need relevant information and advice about the qualification to make sure it meets their needs.

Centres should review the applicant's prior qualifications and/or experience, considering whether this profile shows that they have the potential to achieve the qualification.

For learners with disabilities and specific needs, this review will need to take account of the support available to the learner during teaching and assessment of the qualification. The review must take account of the information and guidance in *Section 11 Access to qualifications for learners with disabilities or specific needs*.

Learners may be aged between 14 and 16 and therefore potentially vulnerable. Where learners are required to spend time and be assessed in work settings, it is the centre's responsibility to ensure that the work environment they go into is safe.

11 Access to qualifications for learners with disabilities or specific needs

Equality and fairness are central to our work. Pearson's Equality Policy requires all learners to have equal opportunity to access our qualifications and assessments. It also requires our qualifications to be awarded in a way that is fair to every learner.

We are committed to making sure that:

- learners with a protected characteristic (as defined by the Equality Act 2010) are not, when they are undertaking one of our qualifications, disadvantaged in comparison to learners who do not share that characteristic

- all learners achieve the recognition they deserve from undertaking a qualification and that this achievement can be compared fairly to the achievement of their peers.

Learners taking a qualification may be assessed in British sign language or Irish sign language where it is permitted for the purpose of reasonable adjustments.

Further information on access arrangements can be found in the Joint Council for Qualifications (JCQ) document *Access Arrangements, Reasonable Adjustments and Special Consideration for General and Vocational qualifications*.

Details on how to make adjustments for learners with protected characteristics are given in the document *Pearson Supplementary Guidance for Reasonable Adjustment and Special Consideration in Vocational Internally Assessed Units*.

Both documents are on our website at:
http://qualifications.pearson.com/en/support/support-topics/understanding-our-qualifications/policies-for-centres-learners-and-employees.html

12 Units

Units have the following sections.

Unit title

This is the formal title of the unit that will appear on the learner's certificate.

Unit reference number

Each unit is assigned a unit reference number that appears with the unit title on the Register of Regulated Qualifications.

Level

All units and qualifications have a level assigned to them. The level assigned is informed by the level descriptors by Ofqual, the qualifications regulator.

Credit value

When a learner achieves a unit, they gain the specified number of credits.

Guided learning hours

Guided Learning Hours (GLH) is the number of hours that a centre delivering the qualification needs to provide. Guided learning means activities that directly or immediately involve tutors and assessors in teaching, supervising, and invigilating learners, for example lectures, tutorials, online instruction and supervised study.

Unit aim

This gives a summary of what the unit aims to do.

Essential resources

This section lists any specialist resources needed to deliver the unit. The centre will be asked to make sure that these resources are in place when it seeks approval from Pearson to offer the qualification.

Learning outcomes

The learning outcomes of a unit set out what a learner knows, understands or is able to do as the result of a process of learning.

Assessment criteria

Assessment criteria specify the standard required by the learner to achieve each learning outcome.

Unit amplification

Unit amplification sets out the range of subject material required for the programme of learning and specifies the knowledge and understanding required for achievement of the unit. It enables centres to design and deliver a programme of learning that will enable learners to achieve each learning outcome and to meet the standard determined by the assessment criteria.

Where relevant and/or appropriate, unit amplification is informed by the underpinning knowledge and understanding requirements of related National Occupational Standards (NOS).

Relationship between amplification and assessment criteria

Although it is not a requirement that all of the amplification is assessed, learners should be given the opportunity to cover it all. However, the indicative amplification (see below) will need to be covered in a programme of learning to enable learners to meet the standard determined in the assessment criteria.

Legislation

Legislation cited in the units is current at time of publication. The most recent legislation should be taught and assessed internally.

Information for tutors

This section gives tutors information on delivery and assessment. It contains the following subsections.

- *Delivery* – explains the content's relationship to the learning outcomes and offers guidance on possible approaches to delivery.

- *Assessment* – gives information about the evidence that learners must produce, together with any additional guidance if appropriate. This section should be read in conjunction with the assessment criteria, learning outcomes and unit amplification.

- *Suggested resources* – lists resource materials that can be used to support the teaching of the unit, for example books, journals and websites.

Unit 1: Principles of Leadership and Management Styles

Unit reference number: F/506/8768

Level: 3

Credit value: 4

Guided learning hours: 32

Unit aim

The management role includes functions and processes that are vital to the success of a business. Understanding how management and leadership styles and theories apply to the role of a manager is of importance in contributing to this success. In fulfilling their role, a manager must effectively make decisions that align with the business objectives, but also assess the impact that the decision-making may have upon an organisation.

In this unit, you will be introduced to the functions of leadership and management and will learn about the differences and similarities between the two roles. You will also gain an understanding of the different leadership styles and how each style could impact on work procedures, and an understanding of motivational theories and their application in the workplace.

You will learn about the different management functions and processes that are important to the success of an organisation and have an introduction to a range of management theories, learn how these can be applied to the management role and gain an understanding of the importance of organisational policies and procedures and the consequences of not adhering to them.

This unit will introduce the decision-making process, looking at how managers obtain and utilise information to make effective decisions and find solutions to problems.

Essential resources

There are no special resources needed for this unit.

Learning outcomes, assessment criteria and unit amplification

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

Learning outcomes		Assessment criteria		Unit amplification
1	Understand leadership and management styles and theories	1.1	Explain the differences between the functions of leadership and management	□ *Managers:* focuses on procedures, policies, systems and structure; planning and decision making
				□ *Leaders:* focus on people, inspiring, motivating, delegating, allocating tasks and resources
		1.2	Evaluate the suitability and impact of different leadership styles in different contexts	□ *Leadership styles:* autocratic; paternalistic; democratic; laissez-faire
				□ *Contextual factors:* situation; organisational culture; internal, external; organisation size; staffing e.g. experience, motivation; constraints e.g. resources, time
		1.3	Analyse theories of management	□ *Theories:* Frederick Taylor – Scientific Management Theory; Henri Fayol – Administrative Management Theory; Max Weber – Bureaucratic Theory of Management
				□ *Limitations and criticisms of theories:* e.g. mechanical approach; focus on quantitative measures; dehumanisation; suitability for changing environment; inflexible
		1.4	Explain how the application of management theories guide a manager's actions	□ *Application of theory:* techniques to improve productivity and efficiency; communication methods and techniques; employee personal and professional development; improved working environment and remuneration; increased employee involvement; approaches to motivation (intrinsic, extrinsic)

Learning outcomes	Assessment criteria		Unit amplification
	1.5	Analyse theories of motivation and their application in the workplace	□ *Theories of motivation:* Maslow Hierarchy of Needs Theory; Herzberg Two Factor Theory; Mayo's Human Relations Theory □ *Application of theories in the workplace:* work environment; ethics and culture; pay and incentives; development opportunities; support and encouragement; leadership style; social interaction

Learning outcomes		Assessment criteria		Unit amplification
2	Understand the role, functions and responsibilities of management	2.1	Explain the functions of management	□ *Functions of management:* Henri Fayol's seven functions, planning, organising, leading, coordinating, controlling, staffing, monitoring
		2.2	Explain how a manager's role contributes to the achievement of an organisation's vision, mission and objectives	□ *Contribution of manager's role:* operational and tactical planning; decision making; managing resources and budgeting; managing performance; managing change; developing appropriate organisational culture and values; developing operational procedures and policies; deliver performance that contributes to organisational goals
		2.3	Explain the responsibilities of a manager towards employees, society, government and customers	□ *Social responsibilities:* definition; obligation; society and others concerned □ *Employees:* fair wages and salaries; work environment; relations; welfare; benefits □ *Society:* equality; environment; charity; local industry □ *Government:* lawful; taxes and dues; economic and social policies □ *Customers:* customer needs and interests; standard and quality of goods; pricing; advertisement
		2.4	Describe the types of organisational policies and procedures managers have to comply with	□ *Purpose of organisational policies and procedures*: consistency in quality and processes; compliance with legislation, regulation and codes of practice; to identify required standards and requirements; safety and security; to inform and communicate; meet organisational objectives □ *Policies and procedures*: e.g. health and safety; sales and purchasing: customer service; human resources, recruitment, training and development; codes of conduct
		2.5	Explain the consequences of not adhering to organisational policies and procedures	□ *Consequences:* e.g. disruptions to operations; accidents, injury; loss of business or customers; legal issues □ *Dealing with non-adherence:* prompt actions; adhere to guidelines set in policy; warning, disciplinary action or dismissal

Learning outcomes		Assessment criteria		Unit amplification
3	Understand the principles of effective decision making	3.1	Explain the importance of aligning decisions with business objectives, values and policies	□ *Business objectives:* outcomes to be achieved; performance targets □ *Business values:* core principles; standards; ethics □ *Importance of aligning decisions:* organisational image and culture; consistency with business strategy; achievement of objectives
		3.2	Analyse the decision-making process	□ *Decision making:* definition; levels of decision-making (strategic, tactical/operational, administrative); importance of rational decision-making □ *Stages in the decision-making process:* problem definition (problem analysis, outcomes to be achieved, SMART objectives, information gathering); generate possible solutions, e.g. 'what if' questions, brainstorming, nominal group technique, Delphi technique; evaluate alternatives (success criteria, feasibility, acceptability and desirability, meeting objectives); select preferred alternative (consequences of decision, cost-benefit analysis, potential problems, risks); implement the preferred alternative (commitment from stakeholders, resources, planning); monitor and evaluate outcomes and results
		3.3	Explain the need to measure the potential impact of decision making	□ *Potential impact:* costs; benefits; efficiency; risks; practicability; return on investment; sustainability; consequences □ *Importance:* identifies best possible option, potential risks; supports planning to address problems; unbiased and objective
		3.4	Explain the importance of obtaining sufficient valid information to enable effective decision making	□ *Valid information:* accurate; accessible; reliable; timely; relevant □ *Importance:* decisions based on relevant factors; appropriate to the situation; reduction in risks

Learning outcomes	Assessment criteria		Unit amplification
	3.5	Explain how to validate information used in the decision-making process	☐ *Confirm accuracy:* compared across different sources; availability of supporting evidence; reliable source; comprehensive information
			☐ *Relevance:* purpose; significance; date published
			☐ *Credibility of source:* trustworthy; quality of information; reliability of source; objective; conflict of interest

Information for tutors

Delivery

For Learning Outcome 1 learners could discuss how the functions and roles of leadership and management are different within their own organisation. Group discussions should be supported by input from the tutor and tutor-led discussions, due to the theoretical nature of Learning Outcome 1. When learners have no experience of a working environment, a case study could be used to support learners in understanding the differences in the functions of leadership and management. Learners could discuss the styles of leadership used in their workplace and how this impacts on workplace procedures. Alternatively, a case study on leadership styles could be used. Learners could identify their own leadership style and how they would use their leadership skills to manage and support workplace procedures.

Learners will need to understand motivational theories and how these are linked to activities in the workplace. A range of short case studies on the different motivational theories could be used for a group discussion. Learners could identify and discuss the factors which would motivate them in their workplace.

For Learning Outcome 2 learners could discuss the functions linked to a management role within their own workplace and how the different functions contribute to the organisation achieving their objectives. Where learners have no work experience, a case study could be used. Learners will need to understand the range of management theories and could be allocated a theory to research, for which they provide feedback to the group followed by a discussion led by the tutor. The learners can then discuss how management theories are utilised in their workplace or through a case study.

Learners could discuss the types of policies and procedures, which are implemented in their workplace, and the consequences of not following the policies and procedures. A case study or policies and procedures from the centre could be used for learners who are not in employment.

For Learning Outcome 3 learners could discuss the process they use for making a decision, the information they will need, the desired outcome and the impact of any incorrect information. The discussion can then be developed to focus on decision making in an organisation, and how decisions need to be linked to business objectives. Learners could be provided with a case study where they need to make a decision on a business activity, identify why the information needs to be valid and accurate, and the potential impact of the decisions they make.

Assessment

The centre will devise and mark the assessment for this unit.

For Learning Outcome 1 learners will need to demonstrate an understanding of the differences between the functions of leadership and management, the use of different leadership styles and the application of management and motivation theories in the workplace. Learners could present their evidence using presentations, reports or reflective accounts, where appropriate. For AC1.1, learners should explain at least three differences between management and leadership, using appropriate examples to support their explanations. For AC1.2, learners should evaluate the suitability of at least two different styles of leaderships; for each leadership style learners should use a range of contextual factors to assess its suitability in at least two different clearly stated contexts. These contexts can be based on information given in a case study or based on the learners' own work experiences. For each context, learners should explain at least one resulting impact from the use of the leadership style. For AC1.3, learners need to analyse at least two different theories of management, making references to their features, limitations, criticisms and contributions to management practice. The assessment of AC1.4 could be linked to AC1.3, where learners should use at least four examples of actions taken by managers to support their explanation of how each of the two theories of management is applied in practice. The examples given could be based on the learners' own experiences as a manager or in a case study. Learners need to relate the examples of actions given to the correct management theory; there should be a clear relationship between the examples of actions taken in practice and the principles of each of the two management theories. A reflective account would be suitable for learners who are basing their explanation on their own experiences. For AC1.5, learners should analyse at least two theories of motivation, with reference to their key principles, limitations, criticisms and application in the workplace. Learners should base their analysis of the application of the motivation theories on a particular context; this could be an organisation that they are familiar with (own workplace or workplace of friends/family) or a case study.

For Learning Outcome 2 learners will need to demonstrate an understanding of the functions of management, how the management role contributes to organisational objectives, the theories of management and how these are applied in the workplace. If learners are employed then they could present their evidence for this learning outcome using a reflective account, otherwise learners could conduct research on a particular organisation and present their evidence in a report or a presentation. A case study could also be used as a context for learners' evidence. For AC2.2, learners should state the vision, mission and objectives of the specific organisation and explain at least three ways in which a manager's role contributes to the achievement of these. For AC2.3, learners should explain, with reference to the specific organisation, at least two responsibilities of a manager to each group stated in the assessment criteria. For AC2.4, learners should explain, with relevant examples, at least three different types of policies and procedures, with which, managers in the specific organisation have to comply. The assessment for AC2.5 should be linked to the policies and procedures mentioned in AC2.4; learners should explain at least three consequences for the specific organisation of not adhering to those organisational policies and procedures.

For Learning Outcome 3, learners will need to demonstrate an understanding of the decision-making process, the potential impact of any decisions and the importance of using information which is accurate and valid. Learners could be given a case study which presents a situation of a new manager who has to make an important decision and needs guidance. Learners' evidence for this could be presented in a report or a presentation. Alternatively, if learners have experience of making decisions in a business context, they could provide their evidence in a reflective account, using examples from their experiences. For AC3.1, learners should give at least three reasons why it is important to align decisions with the business objectives, values and policies of the organisation. For AC3.2, learners should examine each step in the process, clearly explaining the principles, activities and any techniques associated with each. The assessment of AC3.3 and AC3.4 should be linked to the analysis of the decision-making process in AC3.2; for each of these two assessment criteria, learners' explanations should be supported by at least three reasons. For AC3.5, learners' explanations should be based on the actions/techniques taken to ensure the accuracy and relevance of the information and the credibility of the sources of the information; learners need to provide at least two actions/techniques for each.

The evidence submitted to satisfy the assessment criteria in each Learning Outcome must be in sufficient depth to satisfy the requirements of the command verbs used in each assessment criterion. Where learners meet any criteria through oral presentations then this should be supported by a witness statement from the Assessor which provides sufficient detail on how each criterion has been met. Copies of the presentation slides should be made available and be supported by the learner's notes or prompt cards.

Suggested resources

Books

Adair J – *Decision Making and Problem Solving: Creating Success* (2nd Edition), (Kogan Page, 2013) ISBN 9780749466961

Adair J – The Inspirational Leader: How to Motivate, Encourage and Achieve Success (Kogan Page, 2009) ISBN 0749454784

Brent, M. and Dent, E. – *The Leader's Guide to Managing People* (Pearson Education Limited, 2013) ISBN 978-0273779452

Brooks I – *Organisational Behaviour: Individuals, Groups and Organisations, 4th Edition* (Financial Times/Prentice Hall, 2008) ISBN 0273715364

Nelson, B. and Economy, P. – *Managing for Dummies* (John Wiley & Sons, 3rd edition, July 2010) ISBN 978-0470618134

Journals and/or magazines

Management Today (Haymarket Business Media)

Websites

www.bized.co.uk – The Biz/ed website is a free online service for students, teachers and lecturers of business and provides information and resources on the topic of Human Resource Management

www.bookboon.com – The Bookboon website offers free eBooks and textbooks for download on a range of subjects, including Human Resource Management

www.businessballs.com – The Business Balls website offers free learning and development resources relating to topics such as management and leadership theories

www.management.about.com – The About.com offers free online information on business topics such as Key Performance Indicators

Unit 2: Principles of Managing Performance

Unit reference number: T/506/8766

Level: 3

Credit value: 4

Guided learning hours: 32

Unit aim

Managing and monitoring the performance of business activities plays an important role in supporting an organisation to achieve its goals and objectives. Managing performance in an organisation will include the management of staff performance and for an organisation to achieve its objectives, it will need to recruit, train and retain employees with the relevant skills and knowledge. In every workplace, there are people who have different views and values and conflict can have an impact on business performance, so it is of utmost importance that managers resolve conflict and support equality and diversity.

This unit will introduce you to the processes used to measure and manage performance and how they support the organisation in achieving its objectives. You will also gain an understanding of how benchmarking is used to manage performance and how appraisals and training are used to improve performance.

You will learn about how HR and business policies could have an impact on performance and how utilising different employment contracts and communication methods can enhance the performance of a business. You will gain an understanding of the skills and processes used for resolving conflict in the workplace, how performance is improved when all employees feel valued and have equality of opportunity and how this leads to the creation of a fair and supportive working environment.

Essential resources

There are no special resources needed for this unit.

Learning outcomes, assessment criteria and unit amplification

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

Learning outcomes		Assessment criteria		Unit amplification
1	Understand the principles of managing business performance	1.1	Explain the relationship between business objectives and performance measures	□ *Business objectives:* outcomes to be achieved; SMART; aligned to vision and mission; relationship to business strategy □ *Performance measures:* quantifiable indicator of performance; aligned to goals and objectives; measuring and monitoring progress; types (financial and non-financial, leading and lagging)
		1.2	Explain the features of a performance measurement system	□ *Performance Measurement System (PMS):* quantify efficiency and effectiveness; supports decision making □ *Features of a PMS:* focus on outcomes and outputs; balance of financial and non-financial performance measures; decision making; collects, records and analyses data; accuracy
		1.3	Explain the tools, processes and timetable for monitoring and reporting on business performance	□ *Business performance:* outcomes in relation to goals; accomplishment of tasks measured against standards; actual against planned □ *Tools and processes:* planning and budgeting; Key Performance Indicators (KPIs); balance scorecard; benchmarking; performance dashboards; customer relationship management (CRM); appraisals □ *Timetable:* e.g. depends on activities; weekly or monthly reports; combined timeframes

Learning outcomes	Assessment criteria		Unit amplification
	1.4	Explain the use of management accounts and management information systems in performance management	□ *Management accounts:* cash flows; statement of financial position, balance sheet; profit and loss account □ *Uses:* management decision making and planning; provides historical data to inform target setting; stakeholder management and communications □ *Management Information Systems (MIS):* computerised information processing systems; turns raw data into information for management levels □ *Uses:* store, display and manage performance data; provide information for analysis; strategic planning and decision making

Learning outcomes		Assessment criteria		Unit amplification
2	Understand the principles of managing people performance	2.1	Explain how HR and business policies impact on people performance	□ *Impact of policies:* recruiting staff with appropriate skills, knowledge; training and development; pay and incentives which motivate and retain staff; disciplinary and grievance policies; equality and diversity; compliance with legal requirements
		2.2	Explain the role of targets, SMART objectives and feedback in employee performance management	□ *Role of targets and objectives:* links learning to skills requirements; employee goals linked to performance targets and organisational goals □ *SMART objectives:* linked to performance reviews; improve performance □ *Role of feedback:* personal and professional development; targeted performance improvement; self-awareness and emotional intelligence; future development goals
		2.3	Describe best practice in conducting appraisals	□ *Appraisals:* on-going, objective process; evaluation of employee performance □ *Best practice:* planned process; focus on performance and improvement; providing feedback; fair and consistent; target setting; identify training and development needs; promotional opportunities
		2.4	Explain the use of benchmarks in managing performance	□ *Definition of benchmarks:* performance measurement standards; types, e.g. internal, external, strategic, performance, process □ *Using benchmarking in performance management:* maintain performance in line with industry, organisational standards; evaluate the effectiveness of workforce performance activities
		2.5	Explain how communication methods can impact on performance management	□ *Methods:* formal; informal; verbal (body language); written □ *Purpose:* provide, share or exchange information; impact on working relationships; record of actions and decisions □ *Impact:* decision making; operational efficiency and effectiveness; promotes openness and trust; working relationships and collaboration

Learning outcomes		Assessment criteria		Unit amplification
3	Understand employment regulations and contracts	3.1	Explain how employment law affects an organisation's HR and business policies and practices	□ *Employment legislation:* National Minimum Wage Act 1998; Working Time Regulations 1998; Equality Act 2010; Employment Rights Act 1996; Flexible Working Regulations 2014; Health and Safety at Work Act 1974
				□ *Impact on an organisation's policies and procedures:* transparent process for recruitment and selection; written disciplinary and grievance procedures; mechanisms for informing workers of their legal responsibilities and rights (employee handbook, intranet); organising training for line managers
		3.2	Evaluate the implications for an organisation of utilising different types of employment contracts	□ *Contract of employment:* agreement between employer and employee; terms and conditions; verbal or written
				□ *Types of employment contract:* full time; part; fixed term contracts; zero hours contracts; agency staff; contractors
				□ *Impact:* availability of staff; access to specialist skills; costs; flexibility; loyalty and commitment; continuity in work; compliance with legal requirements

Learning outcomes	Assessment criteria		Unit amplification
	3.3	Evaluate the implications for an individual of different types of employment contracts	☐ *Full time contracts:* employment benefits (staff discounts, health insurance, company cars); job and financial security; career and personal development opportunities
			☐ *Part time contracts:* employment flexibility; employment rights; work life balance
			☐ *Fixed term contracts:* employment rights; flexibility in work commitment; higher rates of pay
			☐ *Zero hours contracts:* terms of employment; access to employment experience and skills; open to abuse; stability of earnings
			☐ *Working for an agency:* employment rights and benefits ; employment flexibility
			☐ *Contractor:* employment rights and benefits; can command a higher rate of pay due to the specialist nature of work; employment flexibility

Learning outcomes	Assessment criteria		Unit amplification
4 Understand how to create a working environment that is fair, supportive and encourages learning and development	4.1	Evaluate the suitability of different methods of conflict management in different situations	□ *Conflict:* definition; conflict situations e.g. substantive, affective, procedural □ *Methods of conflict management:* prevention, non-intervention, participative resolution, active resolution □ *Suitability based on context:* e.g. serious conflict, manageable conflict, trivial conflict □ *Personal skills:* professionalism; problem solving; effective communication; mediation; feedback; active listening; decisive
	4.2	Explain the importance of equality, diversity and inclusion in the workplace	□ *Equality, diversity and inclusion:* definition □ *Importance:* promotes a culture of inclusion and respect; recruitment, selection and progression; staff retention; compliance with equality legislation (Equality Act 2010); attracting staff with different talents and competencies; reflecting the diversity of society
	4.3	Describe the characteristics of behaviour that supports equality, diversity and inclusion in the workplace	□ *Characteristics of personal behaviour:* appropriate communications e.g. non-discriminatory language; allowing others to express their views; tolerance and open-mindedness; respect for values, beliefs and customs of colleagues; integrity, fairness and consistency in decision-making; compliance with organisational policies
	4.4	Explain the factors to be taken into account when managing people's wellbeing and performance	□ *Non-work factors:* family and relationships; lifestyle; finance □ *Individual factors:* personality; ability to cope; personal behaviours and attributes; experiences; physical and mental health □ *Work environment factors:* role and responsibilities; level of support; working relationships

Learning outcomes	Assessment criteria		Unit amplification
	4.5	Explain the benefits of employee development	□ *Benefits for organisation:* productivity, efficiency, customer service; employee morale, motivation, job satisfaction; achievement of objectives
			□ *Benefits for individual:* skills and knowledge; promotional opportunities; meeting objectives
	4.6	Evaluate the role of training and development in employees' personal and professional development	□ *Formal training:* mainly off the job; types, e.g. instructor-led workshop or training session, online self-study, virtual classroom, accredited qualifications
			□ *Informal training;* mainly in-house; work-based/on-the-job training, e.g. organisational-based development programmes, coaching, mentoring, job rotation, job shadowing and secondment
			□ *Methods;* workplace observations; monitoring performance; appraisals; performance reviews; skills audit; feedback from managers, customers; linked to needs of organisation

Information for tutors

Delivery

For Learning Outcome 1, if learners are or have been in employment they could share their knowledge of the tools and methods used for measuring and reporting on organisational performance. The discussion can then be developed to focus on how performance measurement systems support organisations in achieving their objectives. If learners are not in employment, a case study could be used to introduce learners to the tools and processes used to monitor and report on business performance.

Some learners may have no real financial management background or experience and may need an introduction to how management accounts are used in performance management; a manager from a local organisation would be best to deliver this introduction. If learners are familiar with management accounts and management information systems they could be encouraged to share their knowledge with their peers. Alternatively, case studies that demonstrate how management accounts and management information systems are used to measure performance could be used for discussion. *If learners choose to take the optional unit 'Principles of Business Planning and Reporting', there are opportunities to deliver it together with Learning Outcome 1.*

For Learning Outcome 2, a clear distinction should be made between managing the performance of staff as against managing the performance of the organisation, as discussed in Learning Outcome 1. Learners may have experience in managing a team and so their experience could be used to enrich the delivery of the learning outcome. Learners could discuss how the use of targets, objectives and feedback have supported their personal development in school, hobbies or employment. Learners could be encouraged to share their experience of appraisals or performance review processes or could review the use of appraisals through a case study. Role-plays could be used to emphasise best practice in conducting appraisals. If learners are not in employment, they may need an introduction to benchmarks and benchmarking and they could research and discuss the use of benchmarking in managing performance.

For Learning Outcome 3 if learners have not been in employment they may need an introduction to HR and business policies and how they could impact on performance. Alternatively, learners could look at the impact of HR and business policies on performance through a case study. Learners could use a case study or their workplace experiences to discuss the implications of different types of contracts both for the organisation and for employee. Learners should be encouraged to share their experience of how different communication methods have impacted on their performance at work, school or when participating in sports or hobbies.

For Learning Outcome 4, learners should be encouraged to share any experience they have had, at work or during team activities, of conflict and how it was managed. Learners could list and compare the skills they feel are needed when dealing with conflict. Learners could, through a case study or their experience in the workplace, discuss the importance and the characteristics of behaviour that supports equality, diversity and inclusion in the workplace. Learners could list and then discuss the factors they feel are important when managing peoples' wellbeing and performance. Alternatively, a case study could be used for discussion.

Learners could discuss the methods used to identify training needs and the benefits of undertaking the training. Learners could be encouraged to share their experiences of the different training and development activities they have attended at work, college or school.

Assessment

The centre will devise and mark the assessment for this unit.

For Learning Outcome 1 learners will need to demonstrate understanding of the link between business objectives and performance measures, the features of performance measurement systems and the tools, processes and timetable for monitoring and reporting on business performance. Learners will also need to demonstrate understanding of how management accounts and management information systems are used in performance management. If learners have recent work experience in managing organisational performance and the use of performance management systems, then they could present their evidence in a reflective account, drawing on examples from their work experience. If learners do not have any recent experience, then they could present their evidence using a presentation or a report based on a case study or on a local organisation to which they have access. For AC1.1, learners should give at least two examples of the business objectives and performance measures from their chosen organisations supported by a clear explanation of how they relate and interact with each other. For AC1.3 learners should explain at least two tools and processes used in the performance management system that they are referring to and the frequency of monitoring and reporting in this particular system. For AC1.4, learners should clearly explain how management accounts and MIS is used in performance management in the organisation; if these aren't used in the organisation, then learners should explain how they could be used.

For Learning Outcome 2 learners will need to demonstrate understanding of how targets, SMART objectives and feedback, the appraisals process, benchmarking, people wellbeing, training and development have in margining performance. The learners can use examples from their workplace or generate their evidence through the use of a relevant case study or use of a local organisation. A reflective account, presentation or a report could be used to present the evidence, as appropriate. For AC2.1, learners should explain at least three ways in which HR and business policies impact on people performance; this should be supported by relevant examples. For AC2.2, learners should give relevant examples to support their explanations of how targets, SMART objectives and feedback are used in employee performance management. For AC2.4, learners should explain at least two ways in which the organisation uses, or could use, benchmarking in managing the performance of staff. For AC2.5, learners should clearly show the impact of different communication methods.

For Learning Outcome 3 the learners will need to demonstrate their understanding of the impact of employment regulations on organisational HR and business policies and practices and the implications of using different types of employment contracts. For AC3.1 learners should explain the impact of at least two employment laws on an organisation's business policies and practices. For AC3.2 and AC3.3, learners should use the same types of contracts to evaluate the implications for the organisations and individual. Learners should evaluate at least two types of contracts and need to give a clear explanation of the features, benefits and drawbacks of each and how these affects the organisation and the individual employee. Learners could refer to their employer organisation or an organisation with which they are familiar and could present their evidence in a report or presentation.

For Learning Outcome 4, learners will also need to demonstrate understanding of how to manage conflict and the need for personal development, training and equality and diversity in the workplace. The learners can use examples from their workplace or generate their evidence through the use of a relevant case study or a local organisation with which they are familiar. A reflective account, presentation or a report could be used to present the evidence. For 4.1, learners should evaluate the suitability of at least two different methods of managing conflict. For AC4.2, learners should give at least three reasons why equality, diversity and inclusion are important in the workplace; this should then follow into the description of at least three different types of behaviours that support equality, diversity and inclusion in the workplace (AC4.3). For AC4.4, learners need to present factors that cover the individual, the work environment as well as non-work factors.

The evidence submitted to satisfy the assessment criteria in each Learning Outcome must be in sufficient depth to satisfy the requirements of the command verbs used in each assessment criterion. Where learners meet any criteria through oral presentations then this should be supported by a witness statement from the Assessor which provides sufficient detail on how each criterion has been met. Copies of the presentation slides should be made available and be supported by the learner's notes or prompt cards.

Suggested resources

Books

Armstrong M and Baron A – *Managing Performance: Performance Management in Action (Developing Practice),* 2nd edition (Chartered Institute of Personnel and Development, 2004) ISBN 9781843981015

Brent, M. and Dent, E. – *The Leader's Guide to Managing People* (Pearson Education Limited, 2013) ISBN 978-0273779452

Muller-Camen, M., Croucher, R., Leigh, S., – *Human Resource Management: A Case Study Approach* (CIPD, 2008) ISBN 9781843981657

Naisby, A – *Appraisal and Performance Management* (Spiro Press, 2002) ISBN 1904298117

Nelson, B. and Economy, P. – *Managing for Dummies* (John Wiley & Sons, 3rd edition, July 2010) ISBN 978-0470618134

Journals and/or magazines

Management Today (Haymarket Business Media)

People Management (Chartered Institute of Personnel and Development)

Websites

www.acas.org.uk – The Advisory, Conciliation and Arbitration Service offers free advice on employment topics and a variety of case studies

www.bized.co.uk – The Biz/ed website is a free online service for students, teachers and lecturers of business and provides information and resources on the topic of Human Resource Management

www.bookboon.com – The Bookboon website offers free eBooks and textbooks for download on a range of subjects, including Human Resource Management

www.businessballs.com – The Business Balls website offers free learning and development resources relating to topics such as management and leadership and leadership theories

www.cipd.co.uk – The Chartered Institute of Personnel and Development (CIPD) has a range of guidance on HR, learning and development and employment law issues. Membership is required for full access

www.management.about.com – About.com offers free online information on business topics such as Key Performance Indicators

Unit 3: Understanding Personal and Professional Development

Unit reference number: A/506/8767

Level: 3

Credit value: 3

Guided learning hours: 22

Unit aim

The Chartered Institute of Personnel and Development (CIPD) defines continuing professional development (CPD) as 'the need for individuals to keep up to date with rapidly changing knowledge'. The continual development of professional and personal skills, supports the organisation in achieving its objectives and the achievement of personal career goals, and will help managers to be fully prepared to meet the challenges of an ever-changing business world.

This unit gives you an understanding of the need for personal and professional development and an introduction to the resources and activities needed to support personal and professional development, and the importance of monitoring development activities.

You will learn about the trends and developments that are currently influencing the need for the development of personal and professional skills. You will gain an understanding of the sources available to research into the skills and knowledge requirements for job roles and of the need to set personal and professional SMART objectives.

The unit will also introduce the use of a skills analysis to identify any gaps in the skills and knowledge required for a particular job role, and how the information from the skills analysis will form the structure of a personal development plan.

Essential resources

There are no special resources needed for this unit.

Learning outcomes, assessment criteria and unit amplification

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

Learning outcomes		Assessment criteria		Unit amplification
1	Understand the factors which impact on personal and professional development	1.1	Describe trends and developments that influence the need for personal and professional development	☐ *Trends and developments:* organisational restructuring; downsizing; growth; succession planning; progression; promotional opportunities; operational or technological development; corporate social responsibility; increased competitive activity
		1.2	Compare sources of information on personal and professional development trends and their validity	☐ *Sources of information*: requirements of job role e.g. job descriptions, person specifications; future plans for organisation; progression routes; National Occupational Standards; professional bodies; research into future of industry
		1.3	Evaluate the benefits of personal and professional development	☐ *Benefits:* to individual and organisation; promotions and career opportunities; reflection on career prospects and progression routes; impact on employability; organisational objectives

Learning outcomes	Assessment criteria	Unit amplification
2 Be able to plan for personal and professional development	2.1 Explain the importance of planning for career progression	□ *Planning:* prioritising development activities; progression routes available; skills, knowledge and expertise required; gaps in skills, knowledge and expertise; short and long term career objectives
	2.2 Explain how to identify gaps between current knowledge and skills required for achieving career objectives	□ *Skills analysis:* comparing current skills and knowledge with those required for current and future job roles □ *Level of skills:* own assessment; feedback; workplace performance measures; personality profiling tools; leadership assessment tools; requirements of professional and regulatory bodies; individual requirements
	2.3 Explain how to set objectives which are SMART	□ *SMART objectives:* objectives which are specific, measurable, achievable, realistic, time constrained (SMART) □ *Objective setting:* Agreeing professional objectives with line manager; use of performance and appraisal data to set objectives; identifying personal objectives; agreeing personal objectives; specifying objectives in behavioural terms; identifying resource requirements; identifying time frames; identifying milestones; identifying review points; identifying success criteria for personal and professional development
	2.4 Describe resources and activities needed to meet objectives of a personal development plan	□ *Resources and activities:* internal and external training programmes; reading materials; practising skills e.g. work shadowing; learning resources; mentoring and coaching; research; feedback and support from managers and colleagues; financial costs; time
	2.5 Produce a personal and professional development plan for an identified job role	□ *Development plan:* structure; components; skills and knowledge required for current and progression routes; identify gaps in knowledge and skills; determine priorities; set SMART learning objectives; identify methods, activities and resources to achieve objectives e.g. time, courses, training, support

Learning outcomes	Assessment criteria		Unit amplification
3	Understand how to monitor and review a development plan	3.1	Explain the importance of monitoring progression against a development plan	☐ *Monitoring development plans:* setting review dates; recording achievements; recording feedback from appraisals, personal reviews; motivation; reviewing and revising objectives ☐ *Importance of progress monitoring:* tracking against targets (milestones, completion); identify reasons for deviations from plan; identify exploitative or corrective actions
		3.2	Evaluate the role of feedback in personal and professional development	☐ *Sources of feedback*: 360 degree appraisal; performance reviews; reflective diary; customers, suppliers, partners; objective data, e.g. KPIs; colleagues; team members ☐ *Types of feedback*: constructive (positive, negative); praise; destructive (criticism) ☐ *Role*: reflection on performance and competencies; self-awareness; targeted areas for improvement; self-management; improved performance; learning styles

Information for tutors

Delivery

Learning Outcome 1 could begin with a tutor-led discussion on the need for personal and professional development and then the discussion could be developed to include the factors that would influence the need for personal and professional development. Learners who have work experience could be asked to make a presentation on the trends and developments based on their experience; otherwise, real life examples from news articles in the public domain could be used. Learners could research the sources that provide information on professional trends and developments and then discuss within groups the sources they have identified and how they would check the validity of the information provided. The discussion around validity should include factors such as the credibility of the source, the date the information was published and the relevance of the information itself.

Learners could individually list the benefits of personal and professional development for both the individual and the organisation. The learners could then discuss and compare the points they have identified.

For Learning Outcome 2, the learners could discuss their current employment status and why it is important for them to plan to achieve career progression and personal development. Learners could research the skills and knowledge required for their current or intended future job role. The learners could complete a skills analysis for the identified job role indicating the skills and knowledge they have achieved and the skills and knowledge that require further development. They could then use this as a basis to research the resources and activities they would need to carry out to develop the required knowledge and skills.

Learners will need to understand how to set SMART objectives and could be given a scenario where they could practice how to set SMART objectives. A summary flowchart of the personal development planning process could then be used to explain to learners how the different steps in the process relate to each other. Learners should then be introduced to the format and structure of a Personal Development Plan and a group discussion could then be used to develop learners' understanding of how to produce their own development plans. Learners could discuss the content and information required to build a personal development plan that focuses on both short term and long term career goals.

For Learning Outcome 3, small group discussion could be used to cover the importance of monitoring a personal development plan and the role of feedback in personal and professional development.

Assessment

The centre will devise and mark the assessment for this unit.

For Learning Outcome 1 learners will need to demonstrate understanding of the trends and developments that influence professional development, where they could find this information and the benefits of personal and professional developments. The learners could research trends and developments which are linked to their own job role or career choice. If learners are not in employment they could focus their research on a desired future job/career. The evidence could be presented using a presentation or a report. For AC3.1, learners should describe at least three trends in the related industry that influence the need for personal and professional development. For AC1.2, the presentation or report could be developed to compare at least two sources of information related to the identified job/career; the comparison should provide at least two arguments supporting the validity of each source. For AC1.3, a reflective account or report could be used to evaluate the benefits to both the employee and the employer of personal and professional development; learners should cover at least two benefits for each group in their evaluation.

For Learning Outcome 2 learners will need to demonstrate understanding of the process of personal development planning and their ability to produce a personal development plan. The learners could focus their evidence for Learning Outcome 2 on their current or future job role. If learners are not in employment, they could use a desired future job/career. A professional discussion, presentation, reflective account or a report could be used to present the evidence for AC2.1 – AC2.4. For AC2.1, learners' explanation of the importance of career progression planning should be supported by at least three reasons. For AC2.2, learners should explain at least two ways in which they could identify the gaps between their current knowledge and skills and those needed to achieve their targeted job role/career. For AC2.3 and AC2.4, learners should explain the process of setting SMART objectives for their own personal and professional development and the specific resources and activities necessary to achieve these SMART objectives. These should be appropriate and relevant for the identified target job role/career. For AC2.5, learners need to produce a personal development plan detailing, at a minimum, their target job/career, SMART objectives, actions and activities to be undertaken, resources and support needed to achieve the objectives and target completion date.

For Learning Outcome 3 learners will need to demonstrate their understanding of the monitoring and reviewing of a development plan. A reflective account or a report could be used for AC3.1 where learners should give at least three reasons why it is important to monitor their progress against a development plan. In evaluating the role of feedback in personal and professional development, AC3.2, learners should present at least three supporting arguments.

The evidence submitted to satisfy the assessment criteria in each Learning Outcome must be in sufficient depth to satisfy the requirements of the command verbs used in each assessment criterion. Where learners meet any criteria through oral presentations or professional discussions then this should be supported by a witness statement from the Assessor, which provides sufficient detail on how each criterion has been met. Copies of the presentation slides should be made available and be supported by the learner's notes or prompt cards.

Suggested resources

Books

Cottrell S – *Skills for Success: Personal Development and Employability*, (Palgrave Macmillan, 2010) ISBN 9780230250185

Harrison, R. – *Learning and Development (5th edition)* (Chartered Institute of Personnel and Development, 2009) ISBN 9781843982166

Megginson D and Whitaker V – *Continuing Professional Development*, 2nd edition, (CIPD, 2007) ISBN 9781843981664

Routledge C and Carmichael J – *Personal Development and Management Skills* (CIPD, 2007) ISBN 9781843981480

Websites

www.businessballs.com – The business balls website provides free resources and advice, including on the subject of personal development planning

www.cipd.co.uk – The website of The Chartered Institute of Personnel and Development (CIPD) is dedicated to continuing professional development (CPD), providing materials and factsheets. Membership is required for full access to the resources.

www.managementhelp.org – An online free management library, including articles on personal and professional development

www.managers.org.uk – The website of the Chartered Management Institute, offering information on a number of management and development issues

Unit 4: Understanding the Implementation of Change

Unit reference number: J/506/8769

Level: 3

Credit value: 4

Guided learning hours: 31

Unit aim

To remain competitive an organisation will need to regularly review and revise its product range and production activities. There will be times when changes are imposed on the organisation by external forces or changes in the market place. To be effective any change process needs to be managed and planned. Any changes implemented by the organisation will have an impact on the workforce and working practices and this inevitably will lead to resistance from some employees. Employees may feel that the change will have no positive benefits for them and others may prefer to keep the current working practices. Once changes have been implemented, it is important that they are monitored and evaluated.

The aim of this unit is to provide you with the knowledge and understanding of the need for organisational change and the knowledge of how to manage the change process. You will gain an understanding of the importance of effectively managing the change process and the importance of involving and informing stakeholders.

You will learn about the barriers to change and the strategies that can be implemented to remove the barriers and gain an understanding of the processes used to implement and evaluate the change process and the importance of monitoring this process.

Essential resources

There are no special resources needed for this unit.

Learning outcomes, assessment criteria and unit amplification

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

Learning outcomes		Assessment criteria		Unit amplification
1	Understand the need for organisational change	1.1	Analyse the factors which influence change in organisations	☐ *Need for change:* changes in markets; economic downturns; customer needs; competitive advantage; change in mission; restructuring; mergers or acquisitions; location; legislation or regulations; technological developments; to meet objectives; response to internal and external factors and growth
		1.2	Explain the factors which could obstruct the process of change	☐ *Factors:* existing operational procedures; employee attitudes; communication barriers; embedded values; exclusion from the change process; lack of resources
		1.3	Explain how to assess the business risks associated with change	☐ *Risks:* costs; manager's inexperience; current processes; time and resources for training; resistance to change from employees; reluctance to accept new processes; knowledge and skills of employees; fear of future changes
				☐ *Assessing risks:* timescales; budgets; achieving change objectives; disruption; advantages disadvantages of the change process; statistical methods e.g. probability
				☐ *Risk assessment:* reduce risk; identify contingency option

Learning outcomes	Assessment criteria	Unit amplification
2 Understand key principles, theories and models relating to change in organisations	2.1 Evaluate the suitability of change management models for different contexts	□ *Change management:* coordination of the change process □ *Different contexts:* planned change; unplanned change □ *Change Management Models:* Kubler-Ross 5 Stage Model; Kotter's 8 Steps to change; Lewin's 3 Stage Change Model; ADKAR Model; Bridge's Transitional Model
	2.2 Explain the importance of effective leadership when implementing change	□ *Change:* step change; incremental change □ *Importance of effective leadership:* a positive and professional environment; establishes direction and drives processes forward; agreeing roles and responsibilities; ensuring resources; engages and empowers employees; two way communication; provides vision; sustains drive; supplies motivation
	2.3 Explain the role of internal and external stakeholders in the management of change	□ *Internal stakeholders:* employees; managers; directors; owners □ *External stakeholders:* customers; suppliers; local community; government agencies; pressure groups □ *Commitment:* support required; High, Medium Low □ *Role of stakeholders:* Responsible, Accountable, Consulted, Informed (RACI)
	2.4 Explain the different types of barriers to change and how to deal with these	□ *Barriers to change:* uncertainty; culture; threatened by process of change; lack of understanding of need for change; failure of previous change initiatives; poor change management; Technical, Political, Cultural (TPC) resistance from employees □ *Dealing with barriers to change:* informing, educating and communicating; clear and supportive leadership; participation and involvement; negotiation and agreement; processes to generate ideas and suggestions; Opinion Leaders

Learning outcomes	Assessment criteria		Unit amplification
3 Understand how to implement, monitor and evaluate organisational change	3.1	Explain the process for implementing change	☐ *Implementation*: present and communicate strategies; resources, physical, human, financial; clear action plans; SMART objectives*;* timescales; stakeholder engagement; involve and inform; strategies to overcome resistance; training
	3.2	Explain the importance of monitoring the change process	☐ *Monitoring:* assess progress against targets, benchmarks; collecting information and feedback; processes for monitoring e.g. progress meetings, performance reviews, stakeholder feedback; tracking impact of change; taking corrective action
	3.3	Explain how to evaluate the change process	☐ *Process for evaluating:* observation; formal and informal feedback from stakeholders
			☐ *Achievement of objectives:* reduced expenditure, improved efficiency, improved productivity, increase in revenue, market share, compliance with regulations or legislation
			☐ *Impact of change:* internal; external; expected; unexpected

Information for tutors

Delivery

For Learning Outcome 1 learners will need to understand the need for organisational change and could be encouraged to discuss and share their experiences of change within their own workplaces. The learners could be encouraged to discuss the reasons why change was seen to be necessary in their organisations and the factors which obstructed the change process. If learners are not in employment they could discuss the need for change through a case study. The discussion could then be developed to focus on the risks associated with implementing change and how they could be measured.

For Learning Outcome 2 learners may need an introduction to the change management models. The learners could each then be allocated a change management model to individually research. They could then summarise the main points of the model for a group discussion. Learners could discuss why effective leadership is important when organisations are implementing change. The learners could use a case study to discuss the role and involvement of different internal and external stakeholders in organisational change.

The learners should be encouraged to share their experience of resistance to change in the workplace and the impact this had on the work environment. Learners could discuss the strategies that should be used to remove the resistance to change. Alternatively, the learners could discuss the barriers to change through the use of a case study.

For Learning Outcome 3 learners will need to understand how change is implemented and the importance of monitoring and evaluating any changes implemented into the workplace. Learners could discuss their experiences of how change was implemented in their workplace and the processes used to monitor and evaluate the change process. If the learners are not in employment a case study could be used to discuss the implementation of change and how it is monitored and evaluated.

Assessment

The centre will devise and mark the assessment for this unit.

The unit assessment criteria can be covered in one assignment brief separated into small manageable tasks or a separate assignment brief for each Learning Outcome. The learners should be provided with the opportunity to present their evidence in a range of different formats such as, reports, letters, or presentations. If learners meet any criteria through oral presentations then this should be supported by a witness statement from the Assessor which provides sufficient detail on how each criterion has been met. Copies of the presentation slides should be made available and be supported by the learner's notes or prompt cards.

For Learning Outcome 1 learners will need to demonstrate knowledge of the factors which influence and obstruct change and the risks associated with change. Learners could use their workplace to generate the evidence for this Learning Outcome or generate the evidence through the use of a case study. A professional discussion, presentation, reflective account or a report could be used for AC1.1 and AC1.2 where learners need to explain the factors which influence change in organisations and the factors which could obstruct the change process. The professional discussion, presentation, reflective account or report could be then developed for AC1.3 where learners need to explain how to measure the business risks associated with change. The evidence submitted for Learning Outcome 1 must be in sufficient depth to satisfy the requirements of the command verb, explain.

For Learning Outcome 2 learners will need to demonstrate knowledge of change management models and the need for effective leadership when implementing change. Learners will need to demonstrate knowledge of the role different stakeholders will have in the change process and how strategies can be used to remove the barriers to change. Learners could use their workplace to generate the evidence for this Learning Outcome or generate the evidence through the use of a case study. A reflective account or report could be used for AC2.1 where learners need to evaluate the suitability of change management models for different contexts. A presentation, reflective account or a report could be used for AC2.2 where learners need to explain the importance of effective leadership when implementing change and the role of internal and external stakeholders in the management of change for AC2.3. The presentation, reflective account or report could then be developed to explain the barriers to change and strategies to remove the barriers for AC2.4. The evidence submitted for Learning Outcome 2 must be in sufficient depth to satisfy the requirements of the command verbs, evaluate and explain.

For Learning Outcome 3 learners will need to demonstrate knowledge of implementing change and how the change process is monitored and evaluated. Learners could use their workplace to generate the evidence for this Learning Outcome or generate the evidence through the use of a case study. A presentation, reflective account or a report could be used for AC3.1 and AC3.2 where learners need to explain the process for implementing change and the importance of monitoring the change process. The presentation, reflective account or report could then be developed for AC3.3 where the learners need to explain how the change process will be evaluated. The evidence submitted for Learning Outcome 3 must be in sufficient depth to satisfy the requirements of the command verb, explain.

Suggested resources

Books

Beech, N., MacIntosh, R., – *Managing Change: Enquiry and Action* (Cambridge University Press, 2012) ISBN 9780521184854

Cameron E and Green M – Making Sense of Change Management: A Complete Guide to the Models Tools and Techniques of Organizational Change, (Kogan Page, 2012) ISBN 978074946435

Helms-Mills J, Dye K and Mills A J – *Understanding Organizational Change* (Routledge, 2008) ISBN 978-0415355773

Kehoe D – *Leading and Managing Change* (McGraw-Hill Professional, 2008) ISBN 978-0070137882

Kotter, J.P., – *Leading Change* (Harvard Business Review Press, 2012) ISBN 9781422186435

Leban B – *Managing Organizational Change (*John Wiley and Sons, 2007) ISBN 978-0470897164

Journals

Management Today (Haymarket Business Media)

The Economist (The Economist Newspaper)

Websites

www.businessballs.com – The business balls website provides free resources and advice, including articles on change management

www.changingminds.org – The changing minds website provides various articles, including on various aspects of change management

www.cipd.co.uk – The website of The Chartered Institute of Personnel and Development (CIPD) provides factsheets covering topics such as change management. Membership is required for full access to resources.

www.managers.org.uk – The Chartered Institute of Management website provides practical advice on management issues with a range of online resources on managing change. Membership is required to access materials.

Unit 5: Principles of Business Planning and Reporting

Unit reference number: M/506/8670

Level: 3

Credit value: 6

Guided learning hours: 50

Unit aim

An important element of the management role is to efficiently organise, plan, review and monitor the use of all available resources so that the organisational objectives can be achieved. At the core of every organisation are the human, physical and financial resources that enable them to operate efficiently and business planning and reporting is important in organising and managing these resources. This is important to both new and existing organisations that are seeking to develop and improve their efficiency.

In this unit, you will gain an understanding of the importance for an organisation to manage their finances efficiently and the consequences of any mismanagement of financial resources. They will be introduced to the documents and procedures that are used to report and analyse organisational finances and the unit will provide an introduction to budgeting and the process involved in managing a budget.

The unit also provides an introduction to the relationship between strategies, tactics and the organisation's vision and mission and about how strategies and tactics support the organisation in achieving its goals and objectives.

Finally, the unit focuses on business planning and the methods and processes of measuring organisational performance.

Essential resources

There are no special resources needed for this unit.

Learning outcomes, assessment criteria and unit amplification

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

Learning outcomes		Assessment criteria		Unit amplification
1	Understand organisational resource requirements	1.1	Describe the resources required for organisational activities	□ *Resources requirements:* resources required to achieve organisation objectives e.g. equipment, materials, facilities; suitability for purpose; planning and allocation of resources; efficiency; planned maintenance and replacement ; human resources
		1.2	Describe organisational requirements for purchasing physical resources	□ *Reasons for purchasing resources:* maintaining stocks levels; replacement of faulty, broken equipment □ *Purchasing procedures:* replenish or replace resources; documentation e.g. purchase orders, invoices; achieving best value for money; availability, quality and reliability of suppliers; negotiation of satisfactory terms; advantages and disadvantages of purchase
		1.3	Explain the importance of using sustainable resources	□ *Importance of using sustainable resources*: conserves natural resources; impact on environment; improved reputation with stakeholders; benefits the reputation of the organisation; cost-saving; staff attrition; efficient use

Learning outcomes	Assessment criteria		Unit amplification
2 Understand the role of financial management in organisational management	2.1	Explain the importance of financial viability for an organisation	□ *Financial viability:* definition i.e. liquidity, cash flow, working capital meeting operating payments and debt commitments; measuring financial viability (working capital/current ratio, acid test/quick ratio) □ *Importance of financial viability:* maintain operations; sufficient finances to fund business activities e.g. staffing, equipment; expansion; maintaining service levels; organisational image and reputation; maintaining positive relationships with stakeholders
	2.2	Explain the consequences of poor financial management	□ *Financial management*: financial planning and financial decision making; budgeting; allocation of resources; procurement of equipment and resources; reviewing and monitoring income and expenditure; reporting □ *Consequences of poor financial management:* inability to purchase resources and pay business debts, cash flow problems; insolvency; legal implications; impact on reputation and sales; possible closure of business operations
	2.3	Explain a range of financial concepts	□ *Financial concepts:* financial statements (balance sheet, income statement/profit and loss, cash flow); financial terminology (assets, liabilities, gross and net profit, working capital, creditor, debtor, budgets, forecast)
	2.4	Explain the purposes of financial reports	□ *Financial reports:* cash flow statement; income statement, profit and loss account; balance sheet □ *Users of financial reports:* managers; funders; government

Learning outcomes			Assessment criteria		Unit amplification
3	Understand business budgeting	3.1		Explain the purpose of a budget	□ *Budget:* financial plan; types of budgets e.g. master, capital, sales, production, marketing
		3.2		Explain how to manage a budget	□ *Budget management:* identifying priorities and timescales; negotiating and agreeing financial resources; accurate recording and monitoring of income and expenditure; taking corrective actions; investigate variances; dealing with unforeseen situations; negotiating revisions to budget; reporting and communicating changes
					□ *Contingencies:* building risk factors into the budgeting process; preparing for potential problems; setting aside resources
4	Understand the need for strategic and tactical organisational planning	4.1		Explain the relationship between an organisation's vision, mission, strategy and objectives	□ *Vision:* desired future state for the organisation
					□ *Mission:* what organisation currently does
					□ *Strategy:* long term; plan of action
					□ *Objectives:* specific goals for teams, individuals or organisation
					□ *Objectives to be met by:* parts of business, teams, individuals
		4.2		Explain the relationship between strategy and tactics	□ *Relationship:* strategies are the plans to achieve the organisation goals; tactics are the actions taken to achieve the strategy, what needs doing; the order of events, the resources required
		4.3		Analyse the factors that have to be considered when planning strategies and tactics	□ *Factors:* organisation goals and objectives; availability of resources; timescales; competitor activity; needs of customers; gaining and maintaining competitive advantage

Learning outcomes		Assessment criteria		Unit amplification
5	Understand the planning cycle	5.1	Explain the purpose, content and format of a business plan	☐ *Purpose:* develop ideas in detail; identify potential problems; measure progress ☐ *Content:* current situation; goals; financial forecasts; steps to be taken to implement plan ☐ *Format:* report format including e.g. executive summary, introduction, sections with content
		5.2	Explain the business planning cycle	☐ *Business planning cycle:* analysis of performance; setting clear goals and objectives; evaluating progress; motivation and control; amending strategies; identifying risks and planning to avoid risks
		5.3	Explain types of constraint that may affect a business plan	☐ *Internal:* lack of appropriate skilled staff; time constraints; poor or inadequate facilities, equipment and materials; lack of finance ☐ *External:* change in customers' needs; competitor activities; availability of suppliers; regulations; technology; economic factors

Learning outcomes	Assessment criteria	Unit amplification
6 Understand the processes to measure organisational performance	6.1 Explain methods of measuring business performance	□ *Overall performance:* review of data; achievement of goals and objectives; measurement of Key Performance Indicators (KPIs), benchmarking against competitors □ *Financial Performance:* financial reports (gross profit, net profit, sales) financial ratios (liquidity, profitability, solvency) □ *Customers:* analysis of market share; customer satisfaction surveys; social media reviews; retention of customers; growth of customer-base
	6.2 Explain the uses of management information and reports	□ *Management information:* data, reports on sales, purchases, performance; written reports; computer based information systems □ *Uses of management information and reports:* planning operations e.g. staffing, ordering and allocation of raw materials; decision making; monitoring achievement and trends; forecasting e.g. future demand, staffing requirements; identifying problems
	6.3 Explain how personal and team performance data is used to inform management reports	□ *Personal and team performance data:* targets met; planned against actual; milestones; KPIs; appraisal results; training attended □ *Use in management reports:* identify areas where action is required; resource allocation; training and development needs; business planning; workforce planning
	6.4 Explain the purpose of MIS	□ *Management Information Systems (MIS):* computerised information processing systems; systems that turn raw data into information for management levels □ *Uses:* store, display and manage performance data; distribute and communicate information; provide information for analysis, strategic planning and decision making

Information for tutors

Delivery

For Learning Outcome 1, learners could discuss the range of resources used in their workplace or through a case study. Learners will need to understand the importance of following organisational procedures for purchasing resources and could be encouraged to share the procedure used in their workplace. Learners could list the benefits to an organisation of using sustainable resources and then compare the points identified with their peers.

For Learning Outcome 2, learners could discuss in small groups the need for an organisation to be financially viable and list the consequences for the organisation of poor financial management. If learners are unfamiliar with organisational finances they could discuss their own financial needs and the consequences of having insufficient money to cover their expenditure.

Some learners may have no accountancy background and may need an introduction to the financial reports used by organisations. If learners are familiar with financial reports they could be encouraged to share their knowledge with their peers. Learners could review the content of different financial reports and discuss how they could be used in planning business activities.

For Learning Outcome 3, learners will need to understand the purpose of budgeting and how to manage budgets. Learners could discuss the reasons they need to budget their own spending and then develop this to discuss the purpose of business budgets and how they can be managed. Alternatively, the learners could discuss budgeting through the use of a case study. The learners will need to understand why some organisations may build contingencies into their budgets and the advantages and disadvantages for the organisation.

For Learning Outcome 4, learners will need to understand the role of vision and mission statements and their relationship with organisational strategies and objectives. Learners could, in small groups, discuss and compare the vision and mission statements, organisational strategies and objectives from their workplace or through a case study. Learners will need to understand the difference between strategies and tactics and what managers would need to consider when introducing new strategies. Learners could be provided with a scenario where they are required, individually or in small groups, to identify relevant strategies and tactics.

For Learning Outcome 5, learners will need to understand the purpose, content and format of a business plan and the cycle for business planning. Learners could use a case study to discuss the steps involved in business planning. Learners, when possible, could discuss and compare the business plans from their own workplace.

Learners will need to understand the range of internal and external constraints that may affect a business plan. Learners could list the internal and external constraints which may impact on the business plans for their own workplace or through the use of a case study.

For Learning Outcome 6, learners will need to understand the methods of measuring business performance and could discuss the methods used in their own workplace or through a case study.

Learners will need to understand how an organisation will use management information and reports for planning and decision making. Learners will need to understand how personal and team performance data is used to inform management reports. The learners could discuss the need for personal and performance data, management information and reports through a case study or from evidence from their own workplace.

Learners will need to understand the purpose and uses of a management information system. If learners are familiar with management information systems they could share their knowledge and experience with their peers. Alternatively, if learners have no knowledge of management information systems they could discuss their purpose and uses through a case study.

Assessment

The centre will devise and mark the assessment for this unit.

This unit is a barred combination with unit H/506/8648 Principles of Business.

The unit assessment criteria can be covered in one assignment brief separated into small manageable tasks or a separate assignment brief for each Learning Outcome. The learners should be provided with the opportunity to present their evidence in a range of different formats such as; reports, letters, professional discussion or presentations. If learners meet any criteria through oral presentations or professional discussions then this should be supported by a witness statement from the Assessor, which provides sufficient detail on how each criterion has been met. Copies of the presentation slides or notes from the discussion should be made available and be supported by the learner's notes or prompt cards.

For Learning Outcome 1 learners can use their own workplace to identify the resources required, the procedure for purchasing resources and how the organisation uses sustainable resources. Alternatively, where learners are not employed they can generate their evidence from a case study or from research into an organisation of their choice. A professional discussion or reflective account could be used to identify the resources required by the organisation for AC1.1. A professional discussion, reflective account, presentation or a report could be used to provide the evidence for AC1.2 and AC1.3 where the learners will need to describe the procedures used for purchasing resources and explain the importance of using sustainable resources. The evidence submitted for Learning Outcome 1 must be in sufficient depth to satisfy the requirements of the command verbs, identify, describe and explain.

For Learning Outcome 2 learners will need to demonstrate their understanding of the importance of financial viability, the consequences of poor financial management and the purpose of financial reports. Where possible, learners could refer to the financial processes and reports within their own workplace or generate their evidence from the use of a case study. The learners could use a reflective account, presentation or a report to explain the importance of financial viability and the consequences of poor financial management for AC2.1 and AC2.2. The reflective account, presentation or report could then be developed to explain the purpose of financial reports for AC2.3. The evidence submitted for Learning Outcome 2 must be in sufficient depth to satisfy the requirements of the command verb, explain.

For Learning Outcome 3 learners will need to demonstrate their understanding of the purpose of budgets, how they are managed and the purpose of budget contingencies. Where possible learners can use examples from their own workplace or generate their evidence from a case study or from research into an organisation of their choice. A reflective account, presentation or a report could be used to explain the purpose of a budget, how the budget is managed and the purpose of building in budget contingencies for AC3.1, AC3.2 and AC3.3. The evidence submitted for Learning Outcome 3 must be in sufficient depth to satisfy the requirements of the command verb, explain.

For Learning Outcome 4 learners will need to demonstrate knowledge of an organisation's vision, mission, strategies, tactics and objectives. Learners could use a reflective account or a report to explain the relationship between an organisation's vision, mission, strategy and objectives for AC4.1. The reflective account or report could then be developed to explain the relationship between strategies and tactics for AC4.2 and to describe the factors that need to be considered when planning strategies and tactics for AC4.3. The learners can generate their evidence from their workplace, from research into an organisation or from the use of a case study. The evidence submitted for Learning Outcome 4 must be in sufficient depth to satisfy the requirements of the command verbs, explain and describe.

For Learning Outcome 5 learners will need to demonstrate knowledge of business plans, the business planning cycle and the internal and external constraints that may affect the business plan. A professional discussion, reflective account, presentation or a report could be used to provide the evidence for AC5.1 and AC5.2 where the learners will need to explain the purpose, content, the format of a business plan and the business planning cycle. The evidence could be supported by examples from the learners own workplace, through research of an organisation or through a case study. The professional discussion, reflective account, presentation or report could then be developed for the learner to explain the internal and external constraint that may affect a business plan for AC5.3. The evidence submitted for Learning Outcome 5 must be in sufficient depth to satisfy the requirements of the command verb, explain.

For Learning Outcome 6 learners will need to demonstrate understanding of measuring business performance, use of management information and reports, the use of personal and team performance data to inform management reports and the role of a MIS. A reflective account, presentation or a report could be used to explain the methods of measuring business performance and the purpose of MIS for AC6.1 and AC6.4. A reflective account or a report could be used to explain the uses of management information and reports (AC6.2) and how personal and team performance data is used to inform management reports (AC6.3). The evidence could be supported by examples from the learners own workplace, through research of an organisation or through a case study. The evidence submitted for Learning Outcome 6 must be in sufficient depth to satisfy the requirements of the command verb, explain.

Suggested resources

Books

Baron A, Armstrong M – *Managing Performance: Performance Management in Action (Developing Practice),* 2nd Edition, (Chartered Institute of Personnel and Development, 2004) ISBN 9781843981015

Dyson J R – *Accounting for Non-Accounting Students*, 8th Edition (FT/Prentice Hall, 2010) ISBN 9780273722977

Institute of Leadership and Management – *Controlling Physical Resources* (ILM Super Series), 4th Edition (Pergamon, 2002) ISBN 9780750658867

Marsh C – Financial Management for Non-Financial Managers (Strategic Success), (Kogan Page, 2012) ISBN 9780749464677

Nelson, B. and Economy, P. – *Managing for Dummies* (John Wiley & Sons, 3rd edition, July 2010) ISBN 978-0470618134

Secrett, M. – Brilliant Budgets and Forecasts: Your Practical Guide to Preparing and Presenting Financial Information (Pearson Business, 2010) ISBN 9780273730910

Shim A, Shim J and Siegel J – *Budgeting Basics and Beyond*, 4th Edition, (John Wiley and Sons, 2012) ISBN 9781118096277

Websites

www.accountingweb.co.uk – The accountingweb site, the UK's largest community accountants, provides accounting news, information and case studies

www.bbc.co.uk/business – The BBC business website provides the latest business news and useful articles

www.gov.uk – The Government services and information website provides tools and guidance for businesses

www. management.about.com – The about.com website provides free online information on business topics such as Key Performance Indicators

www.mindtools.com – The Mind Tools website offers free online skills training on topics such as management and leadership

tutor2u.net – The tutor2u website offers a range of free and subscription-based materials, including resources for business tutors and students

Unit 6: Understanding Recruitment and Selection

Unit reference number: A/506/8770

Level: 4

Credit value: 4

Guided learning hours: 34

Unit aim

The recruitment and selection of new employees is an essential but costly procedure for any organisation. Recruiting and appointing employees with the right skills, knowledge and expertise will impact on the success of the organisation. Implementing an effective recruitment and selection process will ensure that the new employees will make a positive contribution to the organisation meeting its objectives. Recruiting and selecting staff can be an expensive and time consuming process but implementing an effective selection process will ensure that only employees with the required skills, knowledge and expertise are appointed.

This unit provides an understanding of how current employment legislation impacts on the recruitment and selection process. You will learn about when and why an organisation needs to recruit new employees and how investigating work procedures will ensure that job descriptions and person specifications are accurate. You will also gain an understanding of the different recruitment and selection methods and the purpose of the induction process.

Essential resources

There are no special resources needed for this unit.

Learning outcomes, assessment criteria and unit amplification

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

Learning outcomes		Assessment criteria		Unit amplification
1	Understand organisational needs for recruitment	1.1	Explain the need for workforce planning	□ *Workforce planning:* ensuring sufficient staff with relevant skills, knowledge and expertise; aligning the workforce with the business plan and business operations; planning for future demands; skills gap analysis; changing nature of work; employee expectations e.g. full-time, temporary, casual □ *Workforce planning model:* process; optimum number of workers; up-to-date knowledge and skills
		1.2	Analyse the factors which impact on recruitment	□ *Reasons to recruit:* increase staffing levels; employee turnover; new skills needed; promotion of existing employees □ *Internal factors:* increase demand for products and services; diversification; technological change; re-location of production; new or different skill requirements; workforce profiles □ *External factors:* supply of labour; labour costs; workforce skills; government policy; labour market competition; changing nature of work; employee expectations, e.g. contracts

Learning outcomes	Assessment criteria	Unit amplification
2 Understand the recruitment and selection process	2.1 Analyse the impact of the legal and regulatory framework on recruitment and selection activities	□ *Legislation:* Equality Act 2010, discrimination, employment rights and responsibilities; Employment Rights Act 1996; National Minimum Wage Act 1998; Health and Safety at Work Act 1974, contractual terms and conditions; Data Protection Act 1998, protection of personal data; equality and diversity; current UK and EU legislation; European Working Time Directive
	2.2 Explain the components of a job description and person specification	□ *Job description:* job title; location; role and responsibilities; line manager; terms and conditions □ *Person specification:* job title, essential and desirable attributes e.g. qualifications, skills, knowledge, experience, special aptitudes
	2.3 Evaluate the suitability of different recruitment and selection methods	□ *Recruitment methods:* media advertising; agencies; recruitment consultants; job centres; websites; networking; internal e.g. promotion, e-recruitment e.g. job portals, professional networks, personal recommendation □ *Evaluation:* costs; validity; equality and fair methods; advantages and disadvantages of internal and external recruitment
	2.4 Explain the stages in the recruitment and selection process	□ *Recruitment process*: producing job description and personal specification; advertising vacancy; reviewing documents from potential candidates; short listing; interviews; appointing new employees; rejection of unsuccessful candidates; compliance with UK and EU legislation; Equality Act 2010 □ *Assessment methods:* informal meetings; interview; assessment centres; ability tests; psychometric testing; role plays; team exercises; practical tests; presentations; portfolios of work; demonstrations of skill; videos/show reels; references □ *Selection process*: review of application documents, references, CV; shortlisting; interview e.g. group, individual, team, panel, telephone; assessment process; selecting and appointing; compliance with UK and EU legislation; Equality Act 2010

Learning outcomes		Assessment criteria		Unit amplification
3	Understand the process for the appointment and induction of new employees	3.1	Explain the process for appointing a new employee	☐ *Process:* validate references, work permits; complete medical questionnaire or examination; Disclosure and Barring Service (DBS) checks; offer contract; letter of appointment; binding agreement; compliance with UK and EU legislation ☐ *Contract of employment:* agreement between employer and employee; outlines terms and conditions of employment e.g. pay, hours; rights; responsibilities; duties
		3.2	Evaluate the need for an induction process	☐ *Induction process:* formal induction to workplace procedures and policies; job role and responsibilities; introduction to line manager and relevant staff; integration into workplace culture; outline of training and development opportunities; probationary period to assess work performance; on-the-job induction

Information for tutors

Delivery

For Learning Outcome 1, learners will need to understand the importance of workforce planning and could individually list the reasons why an organisation would need to plan their workforce and then discuss with the group the reasons they have listed. The discussion could then be developed to focus on why an organisation would need to recruit new staff. Learners could be encouraged to share any experience they have had of workforce planning or in identifying the need to recruit staff.

For Learning Outcome 2 the learners could discuss the necessity of having legislation for the recruitment and selection process and then research, in pairs, the current UK and EU legislations which impact on recruitment and selection.

The learners could be provided with a job role for which they need to prepare, individually or in pairs, a job description and person specification which is then presented to the whole group.

Learners may need an introduction to the different types of recruitment and selection methods currently used by different organisations. Learners could share any experiences they have had of the different recruitment and selection methods for employment opportunities, applying for college or to join clubs. Alternatively, a case study could be used.

Learners should be encouraged to share their experience of the recruitment and selection process and the different stages involved. If learners are not in employment they could be introduced to stages in the recruitment and selection process through a case study.

For Learning Outcome 3 the learners may need an introduction to the processes which need to be completed when appointing a new member of staff. If learners are in employment they can share their experience of how they were appointed to their job role. Learners could, individually or in pairs, prepare an induction programme for the centre or an organisation. The learners can then compare and discuss the components of their induction programmes.

Assessment

The centre will devise and mark the assessment for this unit.

The unit assessment criteria can be covered in one assignment brief separated into small manageable tasks or a separate assignment brief for each Learning Outcome. The learners should be provided with the opportunity to present their evidence in a range of different formats such as professional discussions, reflective accounts, reports, letters, or presentations. If learners meet any criteria through oral presentations then this should be supported by a witness statement from the Assessor which provides sufficient detail on how each criterion has been met. Copies of the presentation slides should be made available and be supported by the learner's notes or prompt cards.

For Learning Outcome 1 the learners will need to demonstrate knowledge of the need for workforce planning and the factors which impact on recruitment. The learners can use examples from their workplace or generate their evidence through the use of a relevant case study. A reflective account, presentation or a report could be used to provide the evidence for AC1.1 and AC1.2 where learners need to explain the importance of workforce planning and the internal and external factors which impact on recruitment. The evidence submitted for Learning Outcome 1 must be in sufficient depth to satisfy the requirements of the command verb, explain.

For Learning Outcome 2 the learners will need to demonstrate knowledge of the recruitment and selection process and methods, job descriptions and person specifications and how legislation impacts on the recruitment and selection process. If learners are in employment, they should be encouraged to use examples from their workplace. When learners are not in employment, they could generate their evidence through research into an organisation's recruitment and selection processes or through the use of a case study. A reflective account, presentation or a report could be used to provide the evidence for AC2.1 where learners need to explain how current UK and EU legislation and regulations impact on recruitment and selection activities. For AC2.2, learners could use a reflective account or a report to explain the components of a job description and person specification. The learners could relate the evidence for AC2.2 to their own job role or one they are familiar with. A reflective account or a report could be used to evaluate at least three different recruitment and three selection methods for AC2.3. A reflective account, presentation or a report could be used to provide the evidence for AC2.4 where learners need to explain the different stages which make up the recruitment and selection process. The evidence submitted for Learning Outcome 2 must be in sufficient depth to satisfy the requirements of the command verbs, explain and evaluate.

For Learning Outcome 3 the learners will need to demonstrate knowledge of the process used to appoint new members of staff and the purpose of the induction process. If learners are in employment they can use examples from their workplace or generate their evidence through the use of a case study. A reflective account, presentation or a report could be used to provide the evidence for AC3.1 where learners need to explain the steps involved when appointing a new employee. A reflective account, presentation or report could be used to explain the purpose of the induction process for AC3.2. The evidence submitted for Learning Outcome 3 must be in sufficient depth to satisfy the requirements of the command verb, explain.

Suggested resources

Books

Armstrong, M. – *Armstrong's Handbook of Human Resource Management Practice (13th edition)* (Kogan Page, 2014) ISBN 9780749469641

Brown, J.N. – *The Complete Guide to Recruitment: A Step-by-Step Approach to Selecting, Assessing and Hiring the Right People* (Kogan Page, 2011)
ISBN 9780749459741

Yeung, R. – *Successful Interviewing and Recruitment (Creating Success) (revised edition)* (Kogan Page, 2010) ISBN 9780749462222

Journals

Management Today (Haymarket Business Media)

People Management (Chartered Institute of Personnel and Development)

Professional Manager (A bi-monthly publication – Chartered Management Institute)

Websites

www.acas.org.uk – The Advisory, Conciliation and Arbitration Service website, provides free and impartial advice on workplace relations and employment law, including recruitment and induction.

www.cipd.uk – The website of The Chartered Institute of Personnel and Development, provides resources on recruitment. Membership is required for full access to resources.

www.gov.uk – The Government services and information website provides information on a variety of topics, including employment

Unit 7: Principles of Business

Unit reference number: H/506/8648

Level: 3

Credit value: 3

Guided learning hours: 21

Unit aim

Business managers need to understand how to organise and run a business efficiently to ensure that it establishes itself in the marketplace for goods and services and develops sustainably into the future.

In this unit, you will learn about the different types of market that exist and how they influence and are, in their turn, influenced by businesses. You will consider the importance of financial management and budgeting. Businesses need both to be financially viable and to control their costs in order to succeed. In addition, they need to generate revenues, so you will learn about the importance of the sales and marketing functions that are central to the process of income generation. A clear understanding of business principles will contribute directly to effective management and the achievement of organisational objectives.

Essential resources

There are no special resources needed for this unit.

Learning outcomes, assessment criteria and unit amplification

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

Learning outcomes		Assessment criteria		Unit amplification
1	Understand how different businesses operate within markets	1.1	Examine the characteristics of different types of businesses	□ *Types of business*: types of ownership – sole trader; partnership; limited liability partnership; private limited company; public limited company; government department; government agency; independent trust; cooperative; not-for-profit (charitable trust, voluntary organisation)
				□ *Purposes of business*: private sector (making profits, profit maximisation, breakeven, survival, growth, market leadership); public sector (service provision, cost control, value for money, service quality, meeting government standards); not-for-profit (charitable service, support for specific purposes – education, housing alleviating poverty, health care, research)
		1.2	Examine the characteristics of different types of business markets	□ *Market structures*: perfect competition, imperfect competition; oligopoly; monopoly; monopsony; impact of market structures on business pricing and output decisions; price elasticity of demand; responses of businesses to changes in supply and demand
				□ *Regulation of business markets*: regulation as provided by the Competition Act 1998 (Competition and Markets Authority [CMA]), industry regulators e.g. in the energy, water, railways and broadcasting markets (OFGEM, OFWAT, ORR, OFCOM)
				□ The regulatory requirements in place at the time of teaching should be used

Learning outcomes	Assessment criteria		Unit amplification
	1.3	Assess how the goals of a business are affected by market factors	☐ *Business goals*: determined by strategy, mission, aims; business goals including profitability using measures return on capital employed, intra-industry comparisons and inter-industry comparisons; growth as measured by sales, share price, and market value; levels of output measured by volume, value in which underlying trends are identified using 'like for like' and 'year on year' comparisons; depth of product and service portfolio/range; market share; market leadership; reputation; technological innovation; employment as measured by numbers, quality, expertise and training; customer satisfaction, care and service
			☐ *Corporate responsibility*: social engagement; ethical behaviour; sustainability
			☐ *Impact of market factors on business goals*: market structure; demand; supply; costs; prices; revenues; profitability
	1.4	Describe the legal obligations of a business	☐ *Legal obligations*: legislation and legal structures (sole trader, partnerships, limited company, not-for profit organisations, government owned enterprise); employment law (contracts of employment, pay, tax, national minimum wage, holidays, time off, sickness, maternity/paternity leave, pensions, rights at work, redundancy, dismissal, disciplinary action, working hours); health and safety legislation; consumer protection law (sale of goods, credit agreements, contractual requirements), financial reporting requirements; data protection legislation
			☐ The legislation in place at the time of teaching should be used

Learning outcomes	Assessment criteria	Unit amplification
2 Understand the role of financial management in business	2.1 Explain the importance of financial viability for a business	□ *Financial viability*: ability of a business to achieve its operating objectives; ability of a business to fulfil its mission and objectives in a sustainable way; profitability; solvency; stability; measures of profitability, solvency and stability □ *Importance of financial viability*: maintain operations; provide adequate resources (staffing, equipment, plant and machinery, working capital, facilities, administration); ensure profitability; ensure solvency; maintain adequate cashflows; ensure stability; inform financial planning; inform investment decisions; identify corrective actions
	2.2 Evaluate the consequences of poor financial management for a business	□ *Financial management*: financial planning (analysis, budgeting, resource allocation, capital asset requirement); financial control (monitoring of income and expenditure, exploitative action, corrective action); financial decision-making (safeguarding, reporting and review) □ *Consequences of poor financial management*: adverse impact on profitability, solvency and stability; adverse variances in budgets and business plans; resource inefficiencies and wastage; cashflow problems; overtrading; reputational damage; insolvency; cessation of business operations
	2.3 Explain the purposes of a budget	□ *Budgets*: financial plans; capital budgets; revenue budgets e.g. master, sales, purchasing, production, cash, marketing □ *Purposes of budgeting*: ensuring the achievement of business objectives (departmental, organisational); management of resources; planning, co-ordination; monitoring and controlling of capital, income and expenditure; ensuring financial stability; ensuring sufficient liquidity; supporting efficient business operations; contributing to sustainable business activity; setting targets

Learning outcomes	Assessment criteria		Unit amplification
	2.4	Explain how to manage a budget effectively	□ *Allocating budgets*: allocate resources to support achievement of business objectives; allocate budgetary responsibilities
			□ *Monitoring budgets*: purpose of monitoring (measure actual performance in order to compare it with the budgeted performance); collect performance information (manual systems, automated systems); allocate information and data against budget codes and heads
			□ *Controlling budgets*: track actual performance against budgeted performance; variance analysis; types of variance (absolute; relative); favourable variances with results better than expected; adverse variances with results worse than expected; causes of variances; identification of matters that need further investigation
			□ *Taking action*: analysis as a basis for taking action; exploitative action for better than expected performance; corrective action for worse than expected performance; performance reporting; identification of issues (requiring no action, requiring immediate action); budget revisions

Learning outcomes		Assessment criteria		Unit amplification
3	Understand the role of sales and marketing in business	3.1	Explain the principles of marketing	☐ *Marketing*: the process that identifies and anticipates customer needs and satisfies those needs profitably: principles of marketing; marketing mix e.g. the 7 Ps – product, price, place, promotion, people, physical, process
		3.2	Examine the purposes of marketing research	☐ *Components of marketing research*: qualitative research; quantitative research; primary research; secondary research; electronic data collection
				☐ *Uses of marketing research*: measure customer behaviour; identify buying patterns; identify preferences; establish sales trends; measure success of product development; assess brand awareness/reputation; identify changes in markets and emergence of new markets; assess business environment e.g. PESTLE analysis; establish triggers for buyer behaviour; target products/services accurately; increase sales; increase profits
		3.3	Assess the value of a brand to a business	☐ *Brand*: name; logo; image; design; symbol; key product identifiers; brand language; perceived quality; unique selling point
				☐ *Brand value*: brand equity; consumer perceptions; consumer recognition of brand; cement consumer relationships; promote consumer loyalty; differentiation from competitors; trust in the product/service; market monopolisation; build and protect market share; increase profit margins; brand prestige; increase competitive advantage

Learning outcomes	Assessment criteria		Unit amplification
	3.4	Explain the value of sales process to a business	☐ *Sales process*: prospecting for sales; identify target market; identifying possible leads; networking; initial contact; business to business referrals; social media
			☐ *Sales approach*: sales calls; mailings; e-shots; qualifying leads; arranging the sales meeting; establish rapport and trust; establish customer needs; gaining understanding; meeting the identified customer needs; establishing the benefits of the product/service; overcoming objections; negotiating; the close; follow-up e.g. after-sales contact; relationship management
	3.5	Examine the relationship between sales and marketing	☐ *Relationship between sales and marketing*: information sharing, joint planning, alignment, common goals, trust and respect between functions and activities, open communication to achieve common agendas, consultation on important topics, teamwork, shared customer relationship (CRM) functions
			☐ *Positive effects of relationship between sales and marketing*: improved customer understanding; feedback from sales team on marketing campaigns to inform future campaign; increased profits; increased sales; increased customer satisfaction; improved product development; increased business innovation
			☐ *Negative effects of the sales and marketing relationship*: areas of conflict; cultural (differing mind-sets leading to misunderstanding); economic (profitability versus ease of sale); informational (communication, physical separation); organisational (responsibility, decision making); lack of communication; information not shared; distrust; misunderstanding; conflicting goals; constrained product development; constrained innovation

Information for tutors

Delivery

For Learning Outcome 1, formal teaching sessions can have input from a tutor to identify some of the theoretical material about businesses and markets. Learners can investigate the different types of business that there are in their own locality, their structures, the goals and the markets in which they operate. A visiting speaker from a local business can make a presentation on the legal obligations of businesses and the impact these have.

For Learning Outcome 2 formal teaching sessions will be needed to provide input from a tutor to identify and explain the financial techniques used in business and their purposes. Exercises, practical work and case studies provide opportunities to practise the financial techniques. A finance manager from the institution where the learner is studying can give presentations on subjects such as the importance of financial viability, the consequences of poor financial management and the purposes of a budget, so providing a realistic focus for these matters.

For Learning Outcome 3 learners can use case studies and discussions as involving approaches to learning about marketing and sales. They can investigate the topics by using a project that involves launching a new product in order to examine the marketing and sales processes involved. Different groups of learners can then compare the conclusions they have reached.

Centres must make sure that learners have access to suitable resources such as those outlined in the unit specification and to the subject specialist tutors delivering the unit.

Assessment

This unit is a barred combination with unit M/506/867 Principles of Business Planning and Reporting.

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the assessment requirements. Centres can adapt the guidance for learners and the particular assessment context, as appropriate.

Centres will devise and mark the assessments for this unit. Where possible, this unit should be taught holistically, linking groups of similar criteria together, which will give the learner a broader understanding of the topics and issues being discussed.

A range of assessment instruments (assignments) can be used such as (but not confined to) reports, presentations, articles, reflective accounts, discussions, questioning, debriefings on investigative activities, case studies, exercises, simulations and practical work. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For the three learning outcomes in the unit, a staged, integrated assignment could be used. The assignment could be based on an investigation of a new software business that needs to become established and to grow its position in the market. This can involve the learner in considering the nature of business markets in which software companies operate and the importance of marketing and financial control to its future success. The outcomes could be presented as a series of briefings for the owners of the business who have the technical computer expertise but only limited business expertise and experience.

For learning outcome 1, the learner could present a report or presentation focussing on different business markets, factors that affect business goals and legal obligations of businesses. They should examine the characteristics of at least three types of business, including purpose and structure and the characteristics of at least three different business markets. The learner should then assess the link between at least five business goals in relation to the market factors. Finally, the report or presentation should describe at least six legal obligations that a business has. This can be based on the new software company scenario, or a specific business that the learner is familiar with.

For learning outcome 2, the learner could base a written report on the software company scenario or case studies of financially high and/or low risk businesses when discussing financial viability and budget management. They should give five examples of the importance of financial viability and at least five consequences of poor financial management. They should explain the purposes of at least three types of budget and describe ways to manage each of these effectively.

For learning outcome 3, the learner could create a sales and marketing strategy document to support the establishment of the software company brand. This document should include the intended sales and marketing approaches and processes and how these will relate to each other. The strategy should be supplemented with a rationale justifying why they have chosen these approaches and processes, how these will support the brand and why this is important.

In addition, assessment can be combined with the assessment of relevant outcomes and criteria from other related units such as Principles of Providing and Maintaining Administrative Services and Principles of Budgets in a Business Environment. This latter approach would require an assessment map to identify where outcomes and criteria are assessed.

Suggested resources

Books

Bevan J, Coupland-Smith H, Dransfield R, Goymer J and Richards C – *BTEC Level 3 National Business Student Book 1 (Level 3 BTEC National Business)*, (Edexcel, 2010) ISBN 9781846906343

Bevan J, Dooley D, Goymer J, Richards C and Richards N – *BTEC Level 3 National Business Student Book 2 (Level 3 BTEC National Business)*, (Pearson, 2010) ISBN 9781846906350

Brassington F and Pettitt S – *Essentials of Marketing*, 3rd Edition (Pearson, 2013) ISBN 9780273727644

Dyson JR – *Accounting for Non-Accounting Students*, 8th Edition (Financial Times/ Prentice Hall 2010) ISBN 9780273722977

Fardon M and Cox D – *Accounting*, (Osborne Books, 1998) ISBN 9781872962283

Jobber D and Ellis-Chadwick F – *Principles and Practice of Marketing*, 7th Edition (McGraw-Hill Education, 2013) ISBN 9780077140007

Reuvid J – *Start Up and Run Your Own Business: The Essential Guide to Planning Funding and Growing Your New Enterprise*, (Kogan Page, 2011) ISBN 9780749460600

Journals and magazines

Accountancy Magazine (CCH)

Accounting Technician (The Association of Accounting Technicians) – available on subscription.

Marketing Week (Centaur Media plc Group)

The Economist (The Economist Newspaper Ltd)

The Times (Times Newspapers Ltd) – All broadsheet newspapers have business sections.

Websites

www.accountingtools.com/ – the Accounting Tools website provides information on accounting subjects including financial accounting and budgeting.

www.accountingweb.co.uk – Accounting Web provides accounting news, information and case studies.

www.acas.org.uk – the Advisory, Conciliation and Arbitration Service: A government funded agency that provides advice on employment matters.

www.bbc.co.uk/business – the BBC business website has current business stories.

www.bized.co.uk – the Biz/ed website has learning resources for business subjects.

www.bookboon.com/en/economics-ebooks – the Bookboon website has free eBooks and textbooks for download on a range of business subjects.

www.businesscasestudies.co.uk/case-studies/by-topic/external-environment.html#axzz38y8UnKzx – the Times 100: case studies on a range of business subjects.

www.gov.uk – the HMG portal with sections on a variety of business subjects.

www.tutor2u.net – the Tutor2U has learning resources for business subjects.

Other

Podcasts

The Bottom Line and World of Business podcasts chaired by Evan Davies or Stephanie Flanders and Peter Day bring together current practitioners to discuss current business matters. Podcasts touch on topics relevant to the unit. They can be searched through and downloaded from:
www.bbc.co.uk/podcasts/series/bottomline/all and
www.bbc.co.uk/podcasts/series/worldbiz.

Broadcasts

The BBC broadcasts regularly on international business matters and its business website pages have up to date articles and features by its business and economics correspondents and editors Linda Yueh, Peter Day, Robert Preston and Kamal Ahmed. The website is at www.bbc.co.uk/news/business/

Podcasts and broadcasts are constantly renewed and are available for a limited time on the BBC iPlayer.

Unit 8: Understanding How to Develop and Maintain Productive Working Relationships in Business Environments

Unit reference number: D/506/8647

Level: 3

Credit value: 2

Guided learning hours: 15

Unit aim

Working with other people can be a very rewarding experience as you will be able to easily share ideas and good practice with the people you are working with. As a member of a team, you can benefit from the support and guidance of other people.

People who work successfully together are more likely to achieve their objectives and goals satisfactorily and are more likely to be able to meet deadlines. They will more often enjoy their work and to be at less risk of stress.

This unit aims to introduce you to the concept of developing and maintaining productive working relationships in business environments.

In this unit, you will learn approaches to help develop effective working relationships with others within business environments. You will consider the responsibilities of individuals and examine the negative impacts of individuals not meeting these. You will also explore potential barriers to verbal communication with colleagues. You will learn about techniques for managing conflicts of interest and resolving disagreements with colleagues. Finally, you will investigate the negative impact that conflicts of interest and disagreements can have on individuals or the organisation as a whole.

Essential resources

There are no special resources needed for this unit.

Learning outcomes, assessment criteria and unit amplification

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

Learning outcomes		Assessment criteria		Unit amplification
1	Understand the requirements for working with others effectively in business environments	1.1	Explain approaches to developing effective working relationships with others in business environments	☐ *Developing working relationships*: organisational structures (reporting lines, chain of command); agreed behavioural standards; offering support and advice; respecting the roles, responsibilities, interests and concerns of colleagues; use of negotiation techniques; working to agreed SMART objectives, targets and deadlines; maintaining open communication channels; equality and diversity; creating a climate of trust and mutual respect
		1.2	Explain the responsibilities of individuals when working with others in business environments	☐ *Responsibilities*: providing others with the information required (communication methods, techniques, formats); consulting on key decisions and activities (decision-making process, collaboration); fulfilling agreements made; providing updates on progress and problems preventing fulfilment of agreements (problem solving techniques); providing and accepting constructive feedback (feedback techniques, seeking feedback); respecting and accepting the views of others
		1.3	Examine the negative impact on individuals and organisations of not fulfilling agreements made with colleagues	☐ *Negative impact:* e.g. loss of trust, alterations to work plans, delays, loss of confidence in decision-making, increased costs, poor staff retention, dissatisfied customers
		1.4	Analyse barriers to verbal communications and the potential impact when working with others	☐ *Barriers:* e.g. preconceived ideas; different expectations, experiences, cultures, perspectives, level of understanding; group dynamics; relationships between individuals; negative body language; communication styles e.g. level of assertiveness, level of expressiveness, use of jargons/technical language; poor listening skills; environmental factors such as background noise/distractions

Learning outcomes	Assessment criteria	Unit amplification
2 Understand how to deal with conflict of interest and disagreements when working with others in business environments	2.1 Assess techniques for managing and removing conflict of interest when working with others	☐ *Conflict of interest*: definition, e.g. conflict between the private interests and the official responsibilities of a person; causes of conflict of interest, e.g. limited resources, departmentalisation, individual differences ☐ *Managing conflict of interest*: techniques, e.g. using organisational policies and procedures, disclosure, removal of individuals from the activity, use of independent objective mediators
	2.2 Explain how to identify and resolve disagreements with colleagues	☐ *Identifying disagreements*: lack of trust, undefined purpose, no standards, inconsistent application of policy, unclear communication, lack of appreciation, feelings of disrespect, loss of productivity, low morale, unstable working environment, high levels of tension, outbursts, arguments and altercations ☐ *Resolving disagreements*: techniques e.g. spot conflict early on, use of mediation, create a positive environment, listen to others, discuss the problem, build and manage relationships, negotiate a solution, agree a solution collectively, reflect on actions or behaviours
	2.3 Examine the negative impact of conflict of interest and disagreements with colleagues on individuals and organisations	☐ *Negative impact:* e.g. negative emotions, inappropriate behaviour, low morale, loss of productivity, poor staff retention, negative perceptions, instability within the organisation, loss of trust, increased costs, customer dissatisfaction

Information for tutors

Delivery

Where possible, this unit should be taught holistically, linking groups of similar criteria together, which will give the learner a broader understanding of the topics and issues being discussed.

Learning outcome 1 expects the learner to understand requirements for working with others in a business environment. If the learner has any past or current experience of working in a business environment, they should be encouraged to draw on this experience. A simulated business environment, role plays or a case study could be used to support the learners' understanding of the requirements of this learning outcome. Small group discussions on ways to develop and maintain effective relationships with others could support the learners' understanding and could also be related to effective communication. The discussions could also relate to attitudes adopted by different roles, e.g. part time staff, managers. Exemplar job descriptions and case studies could be used to identify the responsibilities of individuals. Learners could then be presented with video clips of individuals not fulfilling their responsibilities and be asked to comment on the likely impacts of these behaviours. Learners will need to appreciate the potential barriers to verbal communications. These could be highlighted using video clips showing individuals experiencing problems communicating verbally. Learners could then be asked to reflect on these problems, drawing out the possible impacts of them.

Learning outcome 2 requires the learner to consider how to deal with conflicts of interest and disagreements when working with others. Learners could use a role play exercise to help develop an appreciation of how to identify and resolve conflicts of interest and disagreements between colleagues. This could be supported by the use of video clips and case studies where the learners discuss and reflect on the possible negative impacts of these disputes and suggest techniques to deal with them. Alternatively, a guest speaker from a Human resources background could talk through the techniques used in a real workplace to identify and resolve disagreements between colleagues and issues with conflict of interest.

Assessment

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the assessment requirements of the unit. Centres can adapt the guidance for learners and the particular assessment context, as appropriate.

The centre will devise and mark the assessment for this unit.

For Learning Outcome 1 the learner will need to understand requirements for working with others in a potential or simulated business environment. For AC1.1, learners could produce a written report explaining at least three approaches to developing working relationships. This could be linked to the evidence for AC1.4, where learners should provide a methodical and detailed examination of the cause and effect of at least five barriers to verbal communication and the impact these can have on working relationships. Evidence for both Assessment Criteria could be based on a simulated business environment or a case study. For AC1.2 and AC1.3, learners could reflect on the role play activities and video clips and produce a guidance document on the responsibilities of individuals in the workplace.

Learning Outcome 2 expects learners to understand concepts for dealing with conflicts of interest and disagreements when working with others. Evidence for AC2.1 could be based on case studies highlighting conflicts of interest. Learners could produce a guidance document to colleagues on how to identify and manage these conflicts. The document should include examples of two conflicts with techniques identified to manage each. For AC2.2, the evidence could be based on a meeting to address a disagreement using role play, and resulting in evidence summarising the outcomes and techniques used. The summary should include three examples of how the disagreement was identified and three techniques used or suggested for resolving it. For AC2.3, learners could produce a presentation on the possible negative impacts of conflict of interest and disagreements. The presentation should include at least four possible impacts, covering both the individual and the organisation as a whole.

Suggested resources

Books

Aylott E – *Employment Law (HR Fundamentals)*, (Kogan Page, 2014)
ISBN 9780749469740

Kay F – *Smart Skills: Working with Others*, (Legend Business, 2011)
ISBN 9781908248077

Kuhnke E – *Communication Skills For Dummies*, (John Wiley & Sons; UK edition, 2013) ISBN 9781118401248

Smith B – *Longman Key Skills: Working with Others (Wwo)/Improving Own Learning and Performance (LP)/Problem Solving (ps)*, 1st edition (Longman, 2001)
ISBN 9780582432185

Websites

www.acas.org.uk – the ACAS website considers a wide range of situations where disputes can arise, and is a key source of advice on employee and employer relations.

ezinearticles.com/?Working-With-Others---Building-Working-Relationships&id=7123327 this Ezine article covers a number of issues involving working with others, including teams, building relationships, conflicts and giving support and feedback.

humanresources.about.com/od/workrelationships/a/play_well.htm – the Human Resources article summarises the significance of building working relationships, and includes links to other related topics.

www.thegeminigeek.com/what-is-business-environment/ – the Gemini Geek article provides summaries of the factors that building a business environment.

specialed.about.com/od/teacherstrategies/ht/problemsolving.htm – although this Special Education article is related to problems in a special educational environment, there are some relevant suggestions that could learners could relate to in dealing with problem situations.

Unit 9: Business Performance, Measurement and Improvement

Unit reference number: M/506/4456

Level: 4

Credit value: 6

Guided learning hours: 20

Unit aim

This unit provides the learner with an understanding of the nature and value of business performance measurement and the associated frameworks and measures used. The unit also provides an introduction to the role of management information in improving business performance.

The measurement of business performance is critical for all organisations as it gives a clear indication as to how likely an organisation is to achieve its objectives.

The performance of your organisation will be important to you as a successful organisation is much more able to achieve its targets, continuously improve and maintain a competitive advantage. At some point in your career you are likely to become involved in the measurement of business performance.

In this unit, you will learn why and how business performance is measured. You will explore a range of both financial and non-financial performance measures and find out what they mean and why an organisation might choose those measures. You will consider different frameworks used in performance measurement such as including the Balanced Scorecard and Total Quality Management.

Underpinning all business performance systems are management information systems and you will learn the key role they play in enabling business performance measurement to take place.

Essential resources

There are no special resources needed for this unit.

Learning outcomes, assessment criteria and unit amplification

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

Learning outcomes		Assessment criteria		Unit amplification
1	Understand the nature and value of business performance measurement	1.1	Analyse the benefits of modern business performance measurement to an organisation	☐ *Business performance measurement:* control process, e.g. set performance standards (using appropriate objectives), measure actual vs. planned performance, correct major deviations; benefits, e.g. targets more likely met, avoids lack of control, ensures focus on right areas, rewards good performance, acts quickly on under performance, defined measure of achievement for all stakeholders
		1.2	Analyse the features of an effective performance measurement system	☐ *Effective performance management systems:* align with business drivers; align with corporate strategy; include coaching for engagement and performance; employee ownership and development; differentiates between the performance of individuals; focuses on real issues and not the process; balance of financial and non-financial performance measures; useful; accessible; reliable
		1.3	Assess the relationship between corporate strategy and performance measurement systems	☐ *Relationship between corporate strategy and performance management systems:* vision; mission; strategy; goals; objectives; action plan; goals and objectives feed into long/short term objectives; alignment of performance management with strategy; ensure performance delivers the objectives of the strategy

Learning outcomes	Assessment criteria		Unit amplification
2 Understand the measures used in performance measurement systems in business organisations	2.1	Differentiate between financial and non-financial performance measures	☐ *Financial performance measures:* monetary measures (profitability, solvency, liquidity, asset control) ☐ *Non-financial performance measures:* no direct monetary value; volume, actual numbers, percentages (staff, customers, product/service quality, market share)
	2.2	Examine different non-financial and financial performance measures used in performance measurement systems	☐ *Financial performance measures:* at different levels of organisation; profitability, e.g. ROCE, gross/net profit margin, asset turnover; liquidity, e.g. current ratio, quick ratio, inventory holding period, debtor collection period, creditor period; gearing, e.g. financial gearing, interest cover; investor ratios, e.g. earnings per share (EPS) dividend cover/yield, earning yield; disadvantages of having only financial measures, e.g. short-term, internal focus, temptation to manipulate results, backward looking, limited picture ☐ *Non-financial performance measures:* management of human resources, e.g. staff turnover, absentee rates, results of job satisfaction surveys, competence surveys; product and service quality; comparison with competition re value, performance; brand awareness; company profile, e.g. brand loyalty, name awareness, perceived quality
	2.3	Compare the use of 'leading' and 'lagging' performance measures in performance management systems	☐ *Leading performance measures:* indicators of performance; forward looking; predict desired future state; measure inputs determining outcomes; enables faster response to associated changes in workplace ☐ *Lagging performance measures:* historical; quantified statement of facts; backwards looking; measure results achieved; respond slowly to changes in workplace

Learning outcomes	Assessment criteria		Unit amplification
	2.4	Differentiate between Key Performance Indicators (KPIs) and performance measures	☐ *Key Performance Indicators (KPIs):* KPI definition; quantifiable; agreed in advance; reflect critical success factors of organisation; defined; can change as organisation's goals change
			☐ *Performance measures:* developed for each objective; provide measure of performance, e.g. effectiveness, efficiency, quality, timeliness, productivity, safety
	2.5	Evaluate the role of Key Performance Indicators in measuring the performance of an organisation	☐ *KPIs and organisation's performance:* KPIs measure progress towards goals; link between goals and mission; optimum number of KPIs; focus attention on organisational goals; motivate staff; link between focus, motivation and organisation's performance

Learning outcomes		Assessment criteria		Unit amplification
3	Understand the frameworks used in performance measurement systems in business organisations	3.1	Analyse the use of the Balanced Scorecard Framework in measuring business performance	□ *Balance Scorecard Framework:* the four perspectives, e.g. financial performance, customer satisfaction, internal process, innovation and learning; fast, comprehensive; includes past performance and future capacity
		3.2	Examine the benefits and limitations of Total Quality Management in measuring business performance	□ *Total Quality Management (TQM):* i.e. 'Management system for customer focused organisation that involves all employees in continual improvement.'; key elements, e.g. customer focus, total employee involvement, process centred integrated system; strategic and systematic approach; continual improvement; fact based decision making; communications; performance measurement
		3.3	Compare different measurement frameworks in business performance measurement	□ *Activity based costing (ABC):* i.e. assigns cost to manufacturing activity; principles; use □ *Economic value added (EVA):* i.e. 'a measure of organisation's financial performance based on residual wealth calculation'; principles; use □ *Competing Values Framework (Quinn):* i.e. 'tool to determine which measures to use'; principles; use in public/not for profit enterprises; development from inputs only model to take in outputs

Learning outcomes		Assessment criteria		Unit amplification
4	Understand the role of management information in improving business performance	4.1	Explain the functions of a management information system (MIS)	☐ *Management Information Systems (MIS):* computer based; functions, e.g. collect data, organise data, produce routine or bespoke reports, provide feedback on performance, alert manager to problems, assist with decision making, enable control systems, keep information safe and secure, provide central depository for information
		4.2	Assess how management information can be used to improve the performance of an organisation	☐ *Management Information and organisation performance:* integration of MIS with performance management system; enable on-going performance monitoring; open and transparent; enable shortfalls to be identified earlier; enable remedial actions to be taken; efficient communication of progress; managers make more informed decisions; enables faster changes in response to changes in business environment; easier for senior manager to see whole picture

Information for tutors

Delivery

For this unit tuition for the learning outcomes lends itself to flexible delivery approaches. Tutors can deliver the unit using a wide range of teaching and learning strategies including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources, where the learner can work individually and in a group researching and gathering information about the subject.

Tutors can illustrate points with reference to examples of businesses that demonstrate effective practices in business performance management. Many learners will use self-directed study together with the expertise and skills they may have developed in a career and be able to reflect on their experience of measuring business performance.

To introduce the unit, it could be useful for learners to conduct research into the concept of performance measurement and the systems that support this. For Learning Outcome 1, tutor input on the concept of business performance measurement can lead to a whole group discussion where learners can contribute based on their research and their experiences of performance measurement, whether from their employing organisations or societal. Learning Outcome 2 would be suitable for case studies on the different measurement systems and the associated measures used, and small group discussions into these supported by tutor input to summarise and emphasise key concepts and principles. This Learning Outcome presents a good opportunity for learners to reflect on their own experiences of business performance measures and systems, whether as the leader/manager or part of a team in relation to the assessment criteria. For Learning Outcome 3, a guest speaker with a performance measurement background could be used to introduce the topic by presenting an insight into the use of different frameworks in business performance measurement. This can then be followed up by tutor input and whole group discussion. Learning Outcome 4 would be suitable for case studies or a guest speaker to give insight into the role of management information in improving business performance. This could be followed up by small group discussions and tutor input to reinforce key concepts.

Assessment

This unit requires the learner to show an understanding of a range of management and leadership principles, models and concepts. Appropriate methods of assessment include written assignments, a reflective account and presentation. If a presentation is used, evidence should be collected in the form of an observation record that is sufficiently detailed to enable internal and external verification to take place. This should be supported by other evidence such as the learner's presentation notes, slides or visual aids.

If the learner is concurrently working towards a competency based qualification in management then a holistic approach to assessing both programmes would be beneficial to the learner; for example the learner could reflect on whether theory can be used to explain how their organisation's performance measurement systems and practices have been designed.

Throughout the unit, learners are required to 'explain', 'analyse, 'differentiate', 'compare' or 'evaluate'. The assessment methods used must allow sufficient opportunity and stimulus to enable the learner to produce evidence that fully covers the criteria. The learner will need to demonstrate higher level skills in developing evidence that is justifiable and soundly based.

Learning Outcome 1 takes an overview of business performance measurement in an organisation. For AC1.2, the learner could be presented with a case study of an effective performance measurement system in practice. The learner needs to demonstrate evaluation skills and produce a justified assessment when producing evidence for AC1.3.

For Learning Outcome 2, the learner needs to demonstrate an understanding of a range of performance measures, both financial and non-financial. The use of case study should be considered to illustrate clear examples of performance measures and KPIs. If the learner is also working towards a related competency programme this unit could be assessed alongside a unit in which the learner is setting or reviewing achievement against performance measures.

For Learning Outcome 3, it would be beneficial for learners to have access to case studies/scenarios for the use of the Balance Scorecard and Total Quality Management as they are required to take an overview of these different frameworks. Learners are likely to need support for their learning in preparation for the assessment of this learning outcome. Care needs to be taken to ensure the learner compares a number of different measurement frameworks for AC3.3.

Learning Outcome 4 is about management information systems and learners in work would benefit from being able to learn about their own organisation's MIS when preparing for assessment of these assessment criteria. AC4.2 requires that the learner considers a specific organisation so if the learner does not have access to suitable information they would need to use a case study or similar.

Evidence of Recognition of Prior Learning (RPL) can be used in the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification

Suggested resources

Books

Boddy D – *Management: An Introduction*, 6th edition, (FT Prentice Hall, 2013) ISBN 9781292004242

Hutchinson S – *Performance Management: Theory and Practice*, (CIPD, 2013) ISBN 9781843983057

Mullins LJ – *Management and Organisational Behaviour*, 10th Edition (FT Publishing International, 2013) ISBN 9780273792642

Websites

www.cipd.co.uk/hr-resources/factsheets/performance-management-overview.aspx – website of the UK professional body for Human Resources and people development, including some free resources including an overview of performance management

Other

Evan Davis 'Bottom line' podcast – *Quality, (11/10/12),* available from www.bbc.co.uk/podcasts/series/bottomline/all

Unit 10: Understanding Organisational Structure, Culture and Values

Unit reference number: T/506/4457

Level: 4

Credit value: 6

Guided learning hours: 20

Unit aim

This unit provides the learner with an understanding of the development and role that the structure of an organisation plays in its effectiveness and the importance of an organisation's culture in the achievement of high performance. The unit also provides an introduction to the relationship between organisational values and organisational culture and behaviour.

The structure, culture and values of an organisation are key factors in defining how, why and where it operates. When you start a new job, one of the first things you will do is to be inducted into the organisation's structure, culture and values.

This unit will enable you to understand what is meant by these terms and how the structure, culture and values each affect decisions the organisation makes about how it conducts its business and, in turn, how this impacts your everyday working life. You will learn about the different types of organisational structure and why different organisations have different structures. You will explore how the organisational culture varies in different organisations and how organisations seek to build a high performance culture. Values or our ideas about what is good or important are a guide to how we behave and in this unit you will consider how beneficial it can be if the organisation and the workers share the values affecting working life.

Essential resources

There are no special resources needed for this unit.

Learning outcomes, assessment criteria and unit amplification

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

Learning outcomes		Assessment criteria		Unit amplification
1	Understand the development and role of organisational structures in organisational effectiveness	1.1	Compare the use of different types of formal organisational structures	□ *Organisational structures:* line, line and staff, matrix, team; mechanistic versus organic; centralised versus decentralised; flat versus tall
		1.2	Analyse the factors affecting the development of a formal organisational structure	□ *Factors affecting development of formal structure:* size of organisation; product or service; organisational life cycle; strategy; business environment; type of workforce; Hardy's three significant workforces: professional core, contractual fringe and flexible labour force
		1.3	Assess the extent to which informal organisational structures contribute to achieving organisational effectiveness	□ *Grouping of work:* function, product or service, location, nature of work, common time scales, staff employed, customer groups, combinations of methods of grouping work □ *Informal organisational structures:* difference between formal and informal structure; benefits, e.g. promote communication, provide satisfaction, provide social control; potential drawbacks, e.g. resistance to change, role conflict, lack of control over information of informal structure □ *Organisational effectiveness:* achievement of objectives, efficiency, sustainability, growth, competitive advantage, reputation, influence, external benchmarking

Learning outcomes		Assessment criteria		Unit amplification
2	Understand how organisational culture is developed and the value of a high-performance culture	2.1	Examine the factors influencing the development of organisational culture	☐ *Organisational culture:* definitions, e.g. Schein's levels of culture – artefacts, values and basic underlying assumptions ☐ *Influences on organisational cultures:* history of organisation; primary function; technology; goals; size; location; management and staff; environment; other spheres of culture, e.g. national, professional, functional cultures of stakeholders
		2.2	Evaluate the influence of different groups of stakeholders on organisational culture	☐ *Stakeholders:* owners, customers, managers, staff, suppliers, employer bodies, employee bodies, local community, government
		2.3	Analyse the different types of organisational cultures	☐ *Types of organisational culture:* Handy's types of culture, e.g. power, role, task, person; Deal and Kennedy's tough-guy macho, work-hard/play hard, bet-your company and process cultures; Cameron and Quinn's culture types, e.g. clan, adhocracy, market, hierarchy, bases of theories; limitations of validity of theories
		2.4	Analyse the features of a high-performance organisational culture	☐ *Features of high performance culture:* consistency, coordination, control, high demands made on employees, care for employees, studies of Peters and Waterman excellent organisations, Heller's study of top European companies; achievement of objectives, continuous improvement, level of employee commitment and identification with the business, reputational enhancement, positive perceptions (internal and external)
		2.5	Explain how organisational culture analysis can be used to align organisational culture to strategy	☐ *Organisational cultural analysis*: alignment of culture with strategy, analytical tools, e.g. Cameron and Quinn (1999) Organization Culture Assessment Instrument (OCAI) dimensions for measurement (dominant characteristics, organisational leadership, management of employees, organisational glue, strategic emphasis); Johnson's cultural web, e.g. stories and myths, rituals and routines, control systems, symbols, organisational structure, power structure, the paradigm; use of Johnson's web in cultural analysis

Learning outcomes	Assessment criteria	Unit amplification
3 Understand the relationship between organisational values and organisational culture and behaviour	3.1 Explain the concept of organisational values	□ *Values*: definitions, e.g. De Vito's 'organised system of attitudes, Johannesen's conceptions of 'The Good or The Desirable'; impact of values on motivation and human behaviour; examples of values affecting workplace behaviour, e.g. hard work, financial security, honesty, financial success, ethical behaviour, fair treatment of employees and stakeholders, sustainability, community engagement □ *Organisational values:* definitions, e.g. Milton Rokeach's 'enduring organisation of beliefs concerning preferable mode of conduct'; examples of organisational value statements, e.g. Body Shop
	3.2 Analyse the benefits to an organisation of having a set of shared values	□ *Benefits of shared values:* increased integrity, coherence and integration leading to improved performance (Cloke and Goldsmith); congruence between personal and organisational values in promoting employee satisfaction, increased commitment of employees and reduced staff turnover (Taylor Cox); ability to communicate values to stakeholders; building trust of stakeholders (Covey) □ *Challenges of shared values:* difficulty embedding common set of values □ (Lucas); dangers of common set of values, e.g. risk taking, lack of flexibility, 'group think'
	3.3 Examine the relationship between organisational values and organisational culture	□ *Relationship between values and culture:* influence of values on all decision making; Schein's levels of culture: artefacts, values and basic underlying assumptions; Howe, Howe and Mindell's value dimensions, e.g. locus of control, self-esteem, tolerance of ambiguity, social ambiguity and risk taking; influence of value dimensions on organisational culture
	3.4 Analyse different models of organisational behaviour	□ *Models of organisational behaviour:* Autocratic, custodial, supportive, collegial (Cunningham, Eberle); co-existence of different models in one organisation

Learning outcomes	Assessment criteria		Unit amplification
	3.5	Assess the impact of organisational culture and values on team and individual behaviour in an organisation	☐ *Impact of organisational values and culture on team behaviour:* pervasiveness of organisational culture affecting selection of team members, team objectives, decision making; organisational culture as the largest and most controlling system (Egan); Chatman and Cha's tools, e.g. recruitment and selection, social tools and training, reward system ☐ *Impact of organisational values and culture on individual behaviour:* Schein's quadrant (1968), e.g. conformity, isolation, creative individualism, rebellion and need to balance socialisation and individualisation

Information for tutors

Delivery

For this unit, tuition for the learning outcomes lends itself to flexible delivery approaches. Tutors can deliver the unit using a wide range of teaching and learning strategies, including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources, where the learner can work individually and in a group, researching and gathering information about the subject.

Tutors can illustrate points with reference to examples of businesses that are recognised as having structures and values that support a high-performance culture. Many learners will use self-directed study together with the expertise and skills they may have developed in a career and be able to reflect on their experience of organisational structures, cultures and values.

To introduce the unit, it could be useful for learners to conduct research into the concept of organisational effectiveness and the impact that different types of structure and culture will have on this. For Learning Outcome 1, tutor input on the concept of formal organisational structure can lead to a whole group discussion where learners can contribute based on their research and their experiences, whether from their employing organisations or societal. It is important that learners are able to underpin their understanding of the concepts with the relevant theories or models. Learning Outcome 2 would be suitable for case studies and small group discussions supported by tutor input to summarise and emphasise key concepts and principles. This learning outcome presents a good opportunity for learners to reflect on their own experiences of organisational culture whether as the leader/manager or part of a team in relation to the assessment criteria. For Learning Outcome 3, a guest speaker with experience of organisational change and innovation management could be used to introduce the topic by presenting an insight into the relationship between organisational values, culture and behaviour. This can then be followed up by tutor input and whole group discussion.

Assessment

Assessment for this unit could be through a written assignment, a reflective journal or perhaps a presentation. If a presentation is used evidence should be collected in the form of an observation record that is sufficiently detailed to enable internal and external verification to take place. This should be supported by other evidence such as the learner's presentation notes, slides or visual aids.

The assessment criteria require the learner to 'explain', 'analyse', 'assess' and 'evaluate' so it is important that the method of assessment produces evidence showing that the learner has gone beyond a mere summarising of the main points and has fully explained, analysed or evaluated as required. Research sources used must be attributed and at this level referencing to sources is required.

If the learner is concurrently working towards a competency based qualification in management and leadership, then a holistic approach to the assessment of similarly-themed units in both qualifications could be helpful to the learner; for example the learner could reflect on whether theory can be used to explain how their organisation's structure and cultural practices have been designed. Learning Outcome 1 is about organisational structures. AC1.2 and AC1.3 would have greater meaning for the learner if they were based on an organisation with which they are familiar. If this is not possible then a case study could be used. Learning Outcome 2 is about organisational culture. Assessment of AC2.2 and AC2.5 could be based on the same organisation(s) referred to in Learning Outcome 1. For AC2.1 and AC2.3, a wider perspective of organisational culture is required, so the organisations referred to in Learning Outcome 1 could be used as an example rather than the main source. AC2.2 requires the learner to 'evaluate' and to achieve this the learner needs to demonstrate evaluation skills such as selection from different sources of information, weighing of value of different information based on considerations of reliability and impartiality, setting criteria and drawing justifiable conclusions.

Learning Outcome 3 is about values of the individual and the impact of shared organisational values. The assessment criteria require the learner to 'explain', 'analyse', 'examine' and 'assess' so the learner may need to be supported to ensure their evidence is sufficiently developed and analytical to satisfy these assessment criteria.

Evidence of Recognition of Prior Learning (RPL) can be used in the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

Suggested resources

Books

Boddy D – *Management: An Introduction*, 6th edition, (FT Prentice Hall, 2008) ISBN 9781292004242

Covey S – *The Speed of Trust: The One Thing That Changes Everything* (Simon and Schuster, 2008) ISBN 9781847392718

Mullins LJ – *Management and Organisational Behaviour*, 10th edition (FT Publishing International, 2013) ISBN 9780273792642

Shockley-Zalabak P – *Fundamentals of Organizational Communication*, 8th edition (Pearson International Edition, 2011) ISBN 9780205082797

Websites

www.thebodyshop.com/search/search.aspx?Search=values&orderdesc=true – web page of the Body Shop page showing its values

www.cipd.co.uk – the Chartered Institute of Personnel and Development: from which a booklet on staff well-being can be obtained.

www.mindtools.com – learning resources to support development of organisational cultures, values and communication

www.managers.org.uk – website of the Chartered Managers Institute which has some learning resources and articles on organisational cultures, values and communication

Other

Evan Davis 'Bottom line' podcast – *Transformation, (13/03/14)*, available from www.bbc.co.uk/podcasts/series/bottomline/all

Peter Day's 'World of Business' podcasts – *Bad Company, (11/08/11 and 10/09/11)*, available from www.bbc.co.uk/podcasts/series/worldbiz/all

13 Further information and useful publications

To get in touch with us visit our 'Contact us' pages:

- Edexcel, BTEC and Pearson Work Based Learning contact details: qualifications.pearson.com/en/support/contact-us.html

- books, software and online resources for UK schools and colleges: www.pearsonschoolsandfecolleges.co.uk

Key publications:

- *Adjustments for candidates with disabilities and learning difficulties – Access and Arrangements and Reasonable Adjustments, General and Vocational qualifications (Joint Council for Qualifications (JCQ))*

- *Equality Policy (Pearson)*

- *Recognition of Prior Learning Policy and Process (Pearson)*

- *UK Information Manual (Pearson)*

- *UK Quality Vocational Assurance Handbook (Pearson).*

All of these publications are available on our website.

Publications on the quality assurance of BTEC qualifications are available on our website at qualifications.pearson.com

Our publications catalogue lists all the material available to support our qualifications. To access the catalogue and order publications, please go to qualifications.pearson.com

Additional resources

If you need further learning and teaching materials to support planning and delivery for your learners, there is a wide range of BTEC resources available.

Any publisher can seek endorsement for their resources, and, if they are successful, we will list their BTEC resources on our website, qualifications.pearson.com

14 Professional development and training

Pearson supports UK and international customers with training related to BTEC qualifications. This support is available through a choice of training options offered in our published training directory, or through customised training at your centre.

The support we offer focuses on a range of issues, including:

- planning for the delivery of a new programme
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- developing effective assignments
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- developing learner-centred learning and teaching approaches
- building functional skills into your programme
- building in effective and efficient quality assurance systems.

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- Subject Advisors: find out more about our subject advisor team – immediate, reliable support from a fellow subject expert
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Annexe A

Mapping with NVQ/competence-based qualifications

The grid below maps the knowledge covered in the Pearson BTEC Level 3 Specialist qualifications in Principles of Management against the underpinning knowledge of the Pearson BTEC Level 3 Diploma in Management Centres can use this mapping when planning holistic delivery and assessment activities.

KEY

# indicates partial coverage of knowledge in the competence-based qualification unit

A blank space indicates no coverage of the knowledge

Competence-based units		Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7	Unit 8	Unit 9	Unit 10
1	Manage Team Performance		#								
2	Principles of People Management		#								
3	Principles of Business					#		#			
4	Principles of Leadership and Management	#	#								
6	Promote Equality, Diversity and Inclusion in the Workplace		#								
10	Manage Conflict within a Team		#								
12	Implement Change				#						
18	Develop and Implement an Operational Plan									#	
25	Manage a Budget					#					

BTEC Specialist units NVQ/competence-based units		Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7	Unit 8	Unit 9	Unit 10
32	Recruitment, Selection and Induction Practice						#				
33	Buddy a Colleague to Develop Their Skills								#		
38	Contribute to the Development and Implementation of an Information System					#					
42	Employee Rights and Responsibilities								#		
	Understand the Customer Service Environment (within Pearson BTEC Level 3 Diploma in Customer Service and Pearson BTEC Level 3 Diploma in Business Administration)							#			

Unit mapping overview

The table below shows the relationship between the new qualifications in this specification and the predecessor qualifications: Pearson BTEC Level 3 Award and Certificate in Management (last registration 31/12/2014).

New units \ Old units	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7	Unit 8	Unit 9	Unit 10	Unit 11	Unit 12	Unit 13
Unit 1	P												
Unit 2				P					P				
Unit 3	P	P			P								
Unit 4						P							
Unit 5							P					P	P
Unit 6				P									
Unit 7							P						
Unit 8									P				
Unit 9													
Unit 10													

KEY

P – Partial mapping (some topics from the old unit appear in the new unit)

F – Full mapping (topics in old unit match new unit exactly or almost exactly)

X – Full mapping + new (all the topics from the old unit appear in the new unit, but new unit also contains new topic(s))