



Unit 6: Principles of Management

Delivery guidance

Approaching the unit

This unit gives your learners opportunities to apply the principles of management to a variety of business situations. In doing so they will gain a greater understanding of the challenges faced by managers, and discover that different management approaches can be taken to address issues relating to aspects such as change management and motivation in the workplace.

Learners will be introduced to the work of management theorists and investigate their influence on contemporary management practices.

The suggested range of activities below will enable your learners to appreciate how the functions of management can be applied in a practical setting and develop their personal skills in areas such as critical thinking and working with others.

You can use a range of delivery methods in this unit, such as:

- discussions, e.g. class and small group discussions on leadership styles
- individual or group presentations, e.g. covering business culture
- case studies of leadership styles in well-known and lesser-known businesses
- videos.

Group work is an acceptable form of delivery, but you must ensure that each learner produces sufficient evidence on their own for assessment.

You can involve local employers in the delivery of this unit by inviting them as:

- guest speakers
- providers of opportunities for learner visits
- providers of business materials as exemplars
- mentors for learners.

Delivering the topics

Topic A introduces your learners to several different management theories and their practical application in the workplace. By looking at different approaches to management your learners will begin to appreciate that there may be different ways in which workplace issues can be addressed. You should therefore focus on the practical application of the different management approaches through relevant examples of workplace situations in which the different theories could be applied. Some of your learners may have undertaken work experience or have part-time jobs, and you could use their acquired knowledge to identify how different approaches to management have been applied in their own workplaces.

Similarly, the notion of business culture could be introduced with reference to your learners' own background and experience, e.g. the cultural features of their own school or college. This could then lead on to your learners undertaking research on different businesses to identify how factors such as management style, policies and procedures, and the structure of a business can all influence business culture.

By the completion of topic A, your learners should have a clear understanding of the main functions of management and the difference between leadership and management with reference to leadership traits and management skills.

Topic B builds on the areas covered in topic A by looking in more depth at different leadership models. You should challenge your learners so that they appreciate that different situations may demand different styles of management and call upon different management skills. You should also give your learners the opportunity to justify their own approach to managing different scenarios and to be able to evaluate critically the approach taken by their peers to the same workplace issue.

Topics C and D both focus on managing people. Topic C looks at the human resources function and its contribution to the business planning process. Your learners will be able to draw on the knowledge gained in other areas of the BTEC National programme to highlight some of the key areas in this process including establishing the mission of the business and its underlying values. Refer to the work covered in previous topic areas on business culture. Your learners should consider the contribution of labour market intelligence to business planning taking into account the impact of globalisation on the mobility of labour.

The implementation of human resource strategies will involve different approaches to labour recruitment which contribute to the overall flexibility of the workforce. Your learners need to understand the increasing move towards greater flexibility in the labour force and the practical ways businesses have sought to increase flexibility in their own workforce in areas such as zero hours contracts, outsourcing and the engagement of agency staff.

By completing the suggested activities in this delivery guide your learners will appreciate that the need for flexibility in the workplace can bring with it significant management challenges relating to labour turnover, absenteeism and motivation, which can all influence business culture and business performance.

Topic D focuses on one specific aspect of these management challenges – motivation. Your learners will again be introduced to a number of management theorists who have influenced management practices, such as Maslow, Herzberg and Mayo. You should give your learners an overview of the work of these theorists so that they can apply them in a practical setting.

Besides requiring a flexible workforce, other major challenges faced by businesses concern the availability of skilled labour and the need for continuous skills development of their existing workforce.

Your learners will be familiar with performance appraisal from the perspective of their own individual learning plans and targets. You can use this knowledge and experience to introduce the role of performance appraisal in a business setting. It would be useful for your learners to look at examples of some of the forms used in a performance management system and, for some light relief, show them film clips of bad management practice relating to performance management interviews.

Self-assessment and 360 degree appraisal can again be explained from your learners' own experience and background. For example, they can update their own individual learning plan to include their own strengths and areas for



development and associated personal targets and a 360 degree appraisal approach can be introduced by reviewing the BTEC National programme.

Topic E is concerned with the practical application of stakeholder theory. In preparing to teach this topic you may wish to look at Medelow's Matrix, which considers the relative power and influence of stakeholders in specific business situations. Learners should be introduced to the concept of the internal and external business environment and the role and influence of stakeholders in different settings. As with other aspects of the unit, you should aim to emphasise to your learners the challenges faced by business leaders, owners and management in trying to reconcile the competing interests of stakeholders. Primarily, the different interests between the needs of employees and the business are likely to be recognised and understood by learners, but other relationships are more complex – for example, the tension that exists between retaining profits for future investment and growth and the demands of some shareholders for increased dividend payments.

Topic F returns to the notion of business culture focusing specifically on the manager's involvement in quality management systems. An understanding of the vocabulary of quality management can be drawn from an overview of ISO 8402, which defines such terms as quality assurance, quality control and total quality management (TQM). The latter is particularly relevant to the role of the manager and your learners need to be able to understand the main features of TQM and its practical application in a business along with the responsibilities of managers to ensure its effective operation.

Your learners will also need to be able to identify the costs and benefits of a quality management system, including its influence on business culture and its impact on financial and non-financial performance measures.

Assessment guidance

This unit is assessed externally. Learners will be given a case study one week prior to the supervised assessment in order to carry out research. In preparing for the external assessment, you should make your learners aware of the assessment objectives detailed in the unit specification. Your learners may find it useful to maintain an ongoing glossary of key terms, which they could complete after each lesson or at the end of a particular topic. This would be a useful revision guide when preparing for the external assessment and would enable your learners to answer those questions in the assessment focused upon the recall of facts, key terms and definitions.

Undertaking the research activities and case studies suggested in this delivery guide will help your learners approach those questions in the assessment that require an understanding of management concepts and their application. The external assessment will also require your learners to analyse and evaluate how management principles are implemented and practised in workplace scenarios. They will need to bring together their knowledge and ideas from several different sources in order to justify their recommendations. In revision sessions, you could lead classroom discussions focused on a critical evaluation of the recommendations of their peers drawn from case studies and business scenarios, as a useful strategy for developing your learners' evaluation skills. Revision sessions could also pick out key points from case studies and link them to theory.

Getting started

This gives you a starting place for one way of delivering the unit.

Unit 6: Principles of Management

Introduction

Begin by introducing the key focus of this unit: understanding the principles of management and knowing how different models of management and their application in different workplace settings can significantly influence all aspects of the business, including its predominant culture and approach to quality improvement. The ultimate aim of this unit is for learners to be able to suggest appropriate management strategies to improve business performance and address the contemporary challenges faced by businesses.

Topic A – The definitions and functions of management

- You could begin by introducing your learners to aims of the unit, including an overview of the content of the topics and how they will be assessed. This would give the basis of the types of activities in which your learners will be engaged.
- It is important for your learners to understand that there are different approaches to management influenced by management theorists. Your learners should be familiar with the works of Drucker (management by objectives), Hersey-Blanchard (situational management) and Adair (action-centred management), as well as other approaches to management such as functional management (specialist functions), transformational management (focused upon change management) and transactional management (emphasis on performance and compliance). You should give an overview of these management approaches and introduce your learners to a range of scenarios in which different management approaches could be applied. You should encourage classroom discussions to allow your learners the opportunity to evaluate critically the suggestions put forward by their peers.
- The main functions of management are best understood from an analysis of business operations and activities such as marketing, purchasing or opening up a new site or retail outlet. Your learners could be required to break down the various components of a specific business operation and identify the management functions associated with each of the stages – planning, organising, coordinating and so on. At this stage of the unit, it is also important to differentiate between leadership and management. Your learners need to understand the difference between management functions, management skills and leadership traits. You could invite a member of your centre's management team to talk to learners about the different aspects of their role. They could also give examples of how they use their management skills to undertake their management functions.
- Business culture is best summarised as 'the way things are done around here'. Your learners will be able to give examples of different cultures drawn from their educational institutions and, in some cases, their work experience internships or their own workplaces. You could introduce comparative case studies of different businesses that highlight the features associated with different business cultures and encourage classroom discussions that identify the positive and negative features of business culture and their impact on individual and business performance.
- Ask learners to work in small groups to summarise their learning in this topic area.



Topic B – Management and leadership styles and skills

- This learning aim looks at leadership and management styles, their impact on business culture and their effectiveness in dealing with workplace issues.
- Your learners should be made familiar with Likert's classification of leadership styles and their characteristics. Other classifications of management style and their characteristics should be introduced, including paternalistic leadership, charismatic leadership, transactional leadership and transformational leadership. The work of Likert can be used to introduce your learners to the different leadership styles and they could be asked to consider their preferred management style from different perspectives – an individual employee and a team leader, supervisor or manager. You should present your learners with a range of scenarios that can be used as the basis for role play. The scenarios should enable learners to identify the management style adopted by individual managers. You should then present another set of scenarios for role play in which learners are required to put forward their own management actions and identify how these actions could be characterised against the 'ideal' types. Your learners could then share their responses with their peers in order to justify their own proposed management actions and evaluate critically those of their peers.
- Using the same set of scenarios, your learners could consider the skills they would need to use in order to identify and implement their proposed actions. You should draw out from the work presented by your learners the following points:
 - There is likely to be no one management style which is applicable to all business situations.
 - Different management approaches may be applicable to one specific situation.
 - The effectiveness of any management style is directly linked to the management skills possessed by the individual manager.
 - A business' predominant management style is a key influence on business culture and its individual components.
- You could use role play to explore management and leadership skills. Give learners some scenarios and ask them to work in small groups to role-play the management and leadership skills required. You can then ask groups to feed back on what they learnt from the experience.
- Ask learners to work in small groups to summarise their learning in this topic area.

Topic C – Managing human resources

- The management of human resources presents managers with some of their biggest challenges, since all individuals are unique and influenced by different priorities and management styles. This topic looks at the challenges faced by the manager when dealing with individuals and teams, and the strategies that can be implemented to increase the effectiveness of human resource management.
- Your learners need to be aware of the influence of both the internal and external business environments on the human resources function. Learners could identify the sources that give information on the labour market. At a local level, this may be provided by local and regional authorities, at a national level by the UK government's Office for National Statistics (ONS), and at an international level by organisations such as the European Union (EU) and the Organisation for Economic Cooperation and Development (OECD). Your learners could use data and information drawn from some of these sources to undertake secondary research to identify the factors influencing the demand and supply of labour in specific sectors of the economy. Undertaking research in this area is likely to introduce your learners to the influence of globalisation on the demand and supply of labour. Membership of the European Union and the increasing

international mobility of labour can bring both benefits and challenges to the human resources function, and learners should conduct research to identify the different strategies adopted by the human resources function in different businesses to address the issues arising out of globalisation.

- Your learners could undertake research or complete a case study of a multinational corporation (MNC) to review its approach to human resource planning and its influence on business decisions.
- You should identify with your learners the macro HR challenges arising from analysis of the business environment. This is likely to centre on aspects such as skill shortages and recruitment. These aspects will form the basis of the practical responses employed by a business to meet its requirements for a flexible workforce. A local employer could speak to your learners about these aspects of HR management and the strategies their business has employed to ensure that their requirements are satisfied. Learners could then research the ways other businesses have sought to address these recruitment issues, including zero-hours contracts, part-time workers and outsourcing, presenting their own views as to their benefits and drawbacks. Skill shortages can also be addressed by putting in place recruitment strategies to attract workers from under-represented groups such as members of ethnic communities, those with childcare responsibilities and people with disabilities. Learners should be able to identify the management actions aimed at recruiting people from under-represented groups – for example by reviewing recruitment strategies, implementing family-friendly policies or making physical adaptations to workplace accommodation.
- Learners also need to undertake activities that enable them to understand the impact of an effective human resources strategy on business performance. They should be able to identify a range of financial and non-financial performance measures and show the impact of HR management practices on the measures.
- Ask learners to work in small groups to summarise their learning in this topic area.

Topic D – Factors influencing management, motivation and performance of the workforce

- Regardless of the skill level of its workforce, a business' performance will suffer if its employees lack motivation. This topic looks at the management strategies and business practices that can influence motivation and, with it, the performance of individuals, teams and the business.
- Give an overview of the main management theorists and their approach to understanding the factors that influence workplace motivation. Your learners could take each motivation theory and use a variety of case studies to identify how the theories have been translated into practice. For example, they could use Maslow's Hierarchy of Needs to find examples of the management practices implemented in different businesses to address each of the levels within the hierarchy. Learners could also analyse a number of adverts to identify some of the key criteria used by businesses to select and recruit staff and map these against the benefits identified by the individual businesses – both monetary and non-monetary. Individual learners could then prioritise those factors that would influence them to apply for different jobs. Your learners could share their responses with their peers and a class discussion could identify how different factors, both monetary and non-monetary, influence individual motivation.
- Your learners should be able to suggest appropriate workplace practices aimed at addressing each of the elements in Maslow's Hierarchy of Needs; the influence of financial and non-financial factors on the level of motivation could also be discussed from the viewpoint of individual learners in your class in order to show how different individuals have different motivational influences. You could then discuss with your learners the implications for managers of managing individuals who have different motivational influences.



- Workforce performance can also be influenced by management practices and these should be considered by your learners in a variety of contexts. Learners should be able to present the management case for outsourcing business processes and show examples of this practice. A case study involving restructuring resulting in changes to job roles and teams is a useful way for your learners to address different management challenges using knowledge drawn from a number of topics within the unit. This approach will require the learners to analyse a business scenario, evaluate the strategies that could be considered, and make recommendations to their peers who could then evaluate critically the conclusions.
- Training and development is also an important motivational influencer. Your learners will consider the role of a training needs analysis drawn from a skills audit of the workforce, and the strategies which can be implemented by a business to address their identified training needs along with their relative merits and drawbacks.
- Learners could research businesses to obtain information on the training and development opportunities available to individuals in their workforce. Your learners should be able to describe the difference between off-the-job (external) and on-the-job (internal) training, distinguishing between qualifications and skills-based training. Training and development can support a system of mentoring and coaching. Your learners should be able to distinguish the features of both mentoring and coaching and identify the benefits they bring with reference to particular businesses. One way of doing this is for you to set up a mentoring system in which your learners have the opportunity to mentor and coach learners on a level 2 Business programme. This will enable them to identify both the benefits of such practices and the skills required to give effective support.
- At some stage managers will be required to assess the performance of individuals in the workforce. Your learners should recognise the importance of a formalised performance appraisal scheme linked to financial rewards or training and development needs. You could give your learners examples of the documentation used in performance appraisal so that they can identify the features of different performance appraisal models. Your learners may be able to complete some of the sections in the documentation to complete their own self-assessment linked to their own training and development needs and future career path. The centre's Quality Nominee could work with your learners to undertake a 360 degree appraisal of the BTEC National programme as part of the centre's own quality assurance framework.
- Ask learners to work in small groups to summarise their learning in this topic area.

Topic E – Impact of change

- Businesses that fail to respond to changes in the business environment are likely to see their performance suffer. Sales and market share may fall and with it the level of turnover and profits. This topic looks at how the business responds to its stakeholders and considers how managers and business leaders can manage the competing interests of the main stakeholder groups.
- Your learners could complete a case study that requires them to identify changes in the internal and external business environment and their impact on a specific business. Learners could analyse these factors and evaluate their impact on the business. The case study should incorporate the main stakeholders so that learners can identify the interests and influence of the various stakeholder groups. Businesses are increasingly subject to the influence of virtual online communities and you could use some examples from social media to show its impact on business and management practices. Equally, businesses are also using online communication strategies to engage with stakeholders, for example, innovative marketing strategies, customer reviews and shareholder engagement. Learners should undertake research into these strategies and analyse their impact on stakeholder engagement.
- Ask learners to work in small groups to summarise their learning in this topic area.

Topic F – Quality management

- Businesses that place a priority on the effectiveness of their quality management systems can gain a competitive advantage over their competitors. Indeed, there are many examples of businesses who are able to charge higher prices for their products, without experiencing a fall in consumer demand, primarily because of their reputation for producing high quality goods and services. This topic looks at the features of effective quality management systems and their impact on the performance of a business.
- Learners should undertake research into quality standards so that they gain an understanding of the terminology used in quality management systems (ISO840200), the main features of total quality management (BS7850), and the characteristics of external quality kite marks (IIP). For example, quality circles require the manager to lead a group of employees to suggest improvements to business systems and processes. Your learners would need to identify the benefits of this approach and the management skills required to maximise its effectiveness.
- You could invite a member of your centre's management team to talk to your learners about your centre's approach to quality management and how it is implemented, or you could invite a specialist quality manager from a local business to talk on the same subject. If you are able to visit a manufacturing plant, learners would see first-hand the production process in action and how quality is maintained and managed.
- A member of the centre's management team with responsibility for quality and staff development and training could talk to your learners about your centre's quality framework and the involvement of staff in its implementation. Your learners could then discuss the management implications of implementing a quality management system, including staff training, costs, workforce structure, management style and business culture.
- Learners also need to be aware of the importance of quality assurance and control in manufacturing. They could gain an understanding of the application of quality in a manufacturing business by researching the principles of lean manufacturing and its application in specific industries, as well as the contribution of the Six Sigma framework to quality improvement. Your learners should also focus their research on the implications for management of implementing quality improvement systems by evaluating the results of a basic cost-benefit analysis of a quality system.
- Ask learners to work in small groups to summarise their learning in this topic area.



Details of links to other BTEC units and qualifications, and to other relevant units/qualifications

Pearson BTEC Level 3 Nationals in Business (NQF):

- Unit 1: Exploring Business.
- Unit 7: Business Decision Making.
- Unit 8: Recruitment and Selection Process.
- Unit 9: Team Building in Business.
- Unit 20: Investigating Corporate Social Responsibility.
- Unit 21: Training and Development.
- Unit 24: Employment Law.

Resources

In addition to the resources listed below, publishers are likely to produce Pearson-endorsed textbooks that support this unit of the BTEC Nationals in Business. Check the Pearson website (<http://qualifications.pearson.com/endorsed-resources>) for more information as titles achieve endorsement.

Textbooks

- Boddy, D – *Management – an Introduction* (Financial Times/Prentice Hall, 2009) ISBN 9780273728566.
- Burtonshaw-Gunn, S – *The Essential Management Toolbox Tools, Models and Notes for Managers and Consultants* (J Wiley & Sons, 2008) ISBN 9780470518373.
- McGrath, J and Bates, B – *The Little Book of Big Management Theories and How to Use Them* (Pearson, 2013) ISBN 9780273785262.
- McGrath, J – *The Little Book of Big Management Questions: The 76 Most Important Questions and How to Answer Them* (Pearson, 2014) ISBN 9781292013602.

Websites

- www.beta.tutor2u.net/ – Contains a comprehensive set of resources for tutors of business studies including PowerPoint presentations, video clips accompanied by innovative teaching, and learning strategies.
- www.businessballs.com – Contains a comprehensive set of resources focused upon leadership and management.
- www.businesscasestudies.co.uk – Contains case studies on business organisations which cover a range of business themes including globalisation.



- www.cipd.co.uk – Chartered Institute of Personal Development has a series of useful factsheets on HR-related issues.
- www.managementstudyguide.com – A complete tutorial resource for management learners.