

# **Pearson BTEC Level 5 Certificate in Management**

# **Pearson BTEC Level 5 Diploma in Management**

## **Specification**

BTEC Professional qualifications

First teaching March 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](http://qualifications.pearson.com). Alternatively, you can get in touch with us using the details on our contact us page at [qualifications.pearson.com/contactus](http://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](http://qualifications.pearson.com)

This specification is Issue 2. Key changes are listed in summary table on 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](http://qualifications.pearson.com)

This qualification was previously known as:

Pearson BTEC Level 5 Diploma in Management (QCF)

Pearson BTEC Level 5 Diploma in Management (QCF)

The QNs remain the same.

*References to third-party material made in this specification are made in good faith. We do 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.*

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## **Summary of Pearson BTEC Level 5 Certificate in Management and Pearson BTEC Level 5 Diploma in Management Issue 2 changes**

Summary of changes made between previous Issue 1 and this current Issue 2	Page number
All references to QCF have been removed throughout the specification	Throughout
Definition of TQT added	1
Definition of sizes of qualifications aligned to TQT	1
TQT value added	5, 6
GLH range removed and replaced with lowest GLH value for the shortest route through the qualification	5, 6
Reference to credit transfer within the QCF removed	12
QCF references removed from unit titles and unit levels in all units	17-212
Guided learning definition updated	13

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](http://qualifications.pearson.com/en/support/contact-us.html).

## 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.

# **BTEC Professional qualification titles covered by this specification**

## **Pearson BTEC Level 5 Certificate in Management**

## **Pearson BTEC Level 5 Diploma in Management**

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 Number (QN) should be used by centres when they wish to seek public funding for their learners. Each unit within a qualification will also have a unit code unit reference number (URN).

The qualification and unit reference numbers will appear on learners' final certification documentation.

The QNs for the qualifications in this publication are:

Pearson BTEC Level 5 Certificate in Management	601/5622/3
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Pearson BTEC Level 5 Diploma in Management	601/5623/5
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These qualification titles will appear on learners' certificates. Learners need to be made aware of this when they are recruited by the centre and registered with Pearson.

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# What are BTEC Level 5 Professional qualifications?

BTEC Professional qualifications are qualifications at Level 4 to Level 8 that are designed to provide professional work-related qualifications in a range of sectors. They give learners the knowledge, understanding and skills that they need to prepare for employment. The qualifications also provide career development opportunities for those already in work. Consequently, they provide a course of study for full-time or part-time learners in schools, colleges and training centres.

On successful completion of a BTEC Professional qualification, learners can progress to or within employment and/or continue their study in the same or related vocational area.

## Sizes of Professional qualifications

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For all regulated qualifications, Pearson specify a total number of hours that it is estimated learners will require 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, Pearson identifies the number of Guided Learning Hours (GLH) that we estimate a centre delivering the qualification might provide. Guided learning means activities, such as lessons, tutorials, online instruction, supervised study and giving feedback on performance, that directly involve tutors and assessors in teaching, supervising and invigilating learners. Guided learning includes the time required for learners to complete external assessment under examination or supervised conditions.

In addition to guided learning, other required learning directed by tutors or assessors will include 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 Professional qualifications are generally 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).

Other size references, such as Extended Diploma, may be used in a suite of qualifications depending on the specific needs of different sectors.

## **Features of BTEC Level 5 qualifications in Management**

BTEC Level 5 in Management qualifications have been developed to offer increased flexibility to learners around the core elements of both management and leadership. It may be most appropriate for learners from sectors and industries that operate within rigid hierarchies or where strategic operations are managed within corporate functions, therefore learners have minimal accountability and autonomy for strategic planning and strategic decision making. This qualification gives learners the opportunity to:

- engage in learning that is relevant to them and which will provide opportunities to develop a range of skills and techniques, personal skills and attributes essential for successful performance in working life
- achieve a nationally recognised Level 5 vocationally-related qualification
- progress in their employment into senior management or leading job roles
- progress to related general and/or vocational qualifications such as those in finance, marketing, recruitment and selection, or leading and management within a specific vocational sector.

## **Key features of the Pearson BTEC Level 5 Certificate in Management**

The BTEC Level 5 Certificate offers an engaging programme for those who are clear about the vocational area they want to progress to. It is designed for learners from any sector or industry, for example healthcare, retail, construction, and gives them an opportunity to:

- develop wider technical and strategic management knowledge to enable them to progress in to roles that have additional management or functional responsibilities
- broaden the depth and breadth of their learning, covering concepts of leadership, including a selection of themes such as finance and budgeting, recruitment and selection, stakeholder engagement and marketing, strategic decision making
- progress to Senior Manager, Head of Department or Director job roles
- progress to a range of management and other professional qualifications at Level 6 and above, such as the Level 7 Diploma in Strategic Management.

## Key features of the Pearson BTEC Level 5 Diploma in Management

The BTEC Level 5 Diploma extends the work-related focus from the BTEC Level 5 Certificate. This qualification gives the learner an opportunity to:

- develop role-specific and wider technical knowledge to support competence in roles such as Manager, Senior Manager, Director or Head of Department through the study of leadership and management principles, and through a selection of themes in areas such as management activities, business processes, risk management, business performance and improvement, strategic business planning and decision making
- develop a foundation of knowledge and understanding at Level 5 based on the Management National Occupational Standards (NOS) and complements the outcomes in the Level 5 NVQ Diploma in Management and Leadership
- pursue own personal development or progress onto other professional qualifications at Level 6 and above, such as the Level 7 Diploma in Strategic Management
- extend their programme of study through a complementary NVQ or other related vocational or personal and social development qualification.

## National Occupational Standards

Where relevant, BTEC Level 5 qualifications are designed to provide some of the underpinning knowledge and understanding for the National Occupational Standards (NOS), as well as developing practical skills in preparation for work and possible achievement of NVQs in due course. NOS form the basis of National Vocational Qualifications (NVQs).

BTEC Level 5 qualifications do not purport to deliver occupational competence in the sector, which should be demonstrated in a work context.

*Annexe A* shows a mapping of the mandatory units in the qualification against the underpinning knowledge of the Pearson Edexcel Level 4 NVQ in Management.

The Pearson BTEC Level 5 Certificate/Diploma in Management relates to the Management and Leadership NOS.

# Rules of combination

The rules of combination specify the credits that need to be achieved, through the completion of particular units, for the qualification to be awarded. All accredited qualifications within the have rules of combination.

## Rules of combination for BTEC Level 5 qualifications

When combining units for BTEC Level 5 management qualifications, it is the centre's responsibility to ensure that the following rules of combination are adhered to.

### **Pearson BTEC Level 5 Certificate in Management**

- 1 Qualification credit value: a minimum of 23 credits.
- 2 Minimum credit to be achieved at, or above, the level of the qualification: 14 credits.
- 3 All credits must be achieved from the units listed in this specification.

### **Pearson BTEC Level 5 Diploma in Management**

- 1 Qualification credit value: a minimum of 39 credits.
- 2 Minimum credit to be achieved at, or above, the level of the qualification: 30 credits.
- 3 All credits must be achieved from the units listed in this specification.

## Pearson BTEC Level 5 Certificate in Management

The Pearson BTEC Level 5 Certificate in Management is a 23-credit and 117 guided learning hour (GLH) qualification that consists of one mandatory unit **plus** optional units that provide for a combined total of 23 credits where at least 14 credits must be at Level 5 or above.

The Total Qualification Time (TQT) for this qualification is 230.

Pearson BTEC Level 5 Certificate in Management			
Unit	Mandatory unit	Credit	Level
1	Principles of Management and Leadership	7	5
Unit	Optional units	Credit	Level
2	Strategic Business Management and Planning	7	5
3	Strategic Decision Making	6	5
4	Principles of Business Finance	5	5
5	Product and/or Service Portfolio Management	4	5
6	Quality Management in an Organisation	5	6
7	Principles of Innovation and Change Management	5	5
8	Customer Relationship Management	4	5
9	Business Risk Management	5	5
10	Staff Recruitment and Selection	5	5
11	Business Process Management	6	5
12	Corporate Social Responsibility and Sustainability	6	5
13	Marketing Management	6	5
14	Corporate Communications	4	5
15	Strategic Project Management	6	5
16	Successful Business Team Development	3	4
17	Understand How to Manage Work Activities to Improve Business Performance	11	4
18	Budget Management	5	5

## Pearson BTEC Level 5 Diploma in Management

The Pearson BTEC Level 5 Diploma in Management is a 39-credit and 187 guided learning hour (GLH) qualification that consists of one mandatory unit **plus** optional units that provide for a combined total of 39 credits where at least 30 credits must be at Level 5 or above. Learners must choose 23 credits from the optional units in Group B and the remaining 9 credits from either Group B or Group C.

The Total Qualification Time (TQT) for this qualification is 390.

Pearson BTEC Level 5 Diploma in Management			
Unit	Mandatory unit – Group A	Credit	Level
1	Principles of Management and Leadership	7	5
Unit	Optional units – Group B	Credit	Level
2	Strategic Business Management and Planning	7	5
3	Strategic Decision Making	6	5
4	Principles of Business Finance	5	5
5	Product and/or Service Portfolio Management	4	5
6	Quality Management in an Organisation	5	6
7	Principles of Innovation and Change Management	5	5
8	Customer Relationship Management	4	5
9	Business Risk Management	5	5
10	Staff Recruitment and Selection	5	5
11	Business Process Management	6	5
12	Corporate Social Responsibility and Sustainability	6	5
13	Marketing Management	6	5
14	Corporate Communications	4	5
15	Strategic Project Management	6	5
18	Budget Management	5	5

<b>Pearson BTEC Level 5 Diploma in Management</b>			
<b>Unit</b>	<b>Optional units – Group C</b>	<b>Credit</b>	<b>Level</b>
16	Successful Business Team Development	3	4
17	Understand How to Manage Work Activities to Improve Business Performance	11	4
19	Business Administration Systems	6	4
20	Principles of Customer Service Management	8	4
21	Principles of Operational Planning	15	4
22	Managing Information and Knowledge	15	4
23	Human Resource Management	5	4
24	Principles of Business Skills Needed for Proposals and Pitches	12	4
25	Managing Personal and Professional Development	6	4
26	Understanding Organisational Structure, Culture, and Values	6	4
27	Stakeholder Engagement and Management	4	4

# Assessment

All units within these qualifications are internally assessed. The qualifications are criterion referenced, based on the achievement of all the specified learning outcomes.

## Guidance

The purpose of assessment is to ensure that effective learning has taken place to give learners the opportunity to:

- achieve **all** the specified learning outcomes
- meet the standard determined by the assessment criteria by providing sufficient and valid evidence
- prove that the evidence is their own.

All the assignments created by centres should be reliable and fit for purpose, and should be built on the unit assessment criteria. Assessment tasks and activities should enable learners to produce valid, sufficient and reliable evidence that relates directly to the specified criteria. Centres should enable learners to produce evidence in a variety of different forms, including, presentations and posters, along with projects, or time-constrained assessments.

Centres are encouraged to emphasise the practical application of the assessment criteria, providing a realistic scenario for learners to adopt, and making maximum use of practical activities, where appropriate. The creation of assignments that are fit for purpose is vital to achievement and their importance cannot be over-emphasised.

The assessment criteria must be clearly indicated in the assignments briefs. This gives learners focus and helps with internal verification and standardisation processes. It will also help to ensure that learner feedback is specific to the assessment criteria.

When designing assignments briefs, centres are encouraged to identify common topics and themes. A central feature of vocational assessment is that it allows for assessment to be:

- current, i.e. to reflect the most recent developments and issues
- local, i.e. to reflect the employment context of the delivering centre
- flexible to reflect learner needs, i.e. at a time and in a way that matches the learner's requirements so that they can demonstrate achievement.



## Qualification grade

Learners who achieve the minimum eligible credit value specified by the rule of combination will achieve the qualification at pass grade.

In BTEC Level 5 Professional qualifications each unit has a credit value which specifies the number of credits that will be awarded to a learner who has achieved the learning outcomes of the unit. This has been based on:

- one credit for those learning outcomes achievable in 10 hours of learning time
- learning time being defined as the time taken by learners at the level of the unit, on average, to complete the learning outcomes of the unit to the standard determined by the assessment criteria
- the credit value of the unit remaining constant regardless of the method of assessment used or the qualification to which it contributes.

## Quality assurance of centres

BTEC Level 4–7 qualifications provide a flexible structure for learners enabling programmes of varying credits and combining different levels. For the purposes of quality assurance, all individual qualifications and units are considered as a whole.

Centres delivering BTEC Level 4–7 qualifications must be committed to ensuring the quality of the units and qualifications they deliver, through effective standardisation of assessors and verification of assessor decisions. Centre quality assurance and assessment is monitored and guaranteed by Pearson.

### **Pearson quality assurance processes will involve:**

- centre approval for those centres not already recognised as a centre for BTEC qualifications
- approval for BTEC Level 4–7 qualifications and units.

For all centres delivering BTEC qualifications at Levels 4–7, Pearson allocates a Standards Verifier (SV) for each sector offered who will conduct an annual visit to quality assure the programmes.

## Approval

Centres are required to declare their commitment to ensuring the quality of the programme of learning and providing appropriate assessment opportunities for learners that lead to valid and accurate assessment outcomes. In addition, centres will commit to undertaking defined training and online standardisation activities.

Centres already holding approval are able to gain qualification approval online. New centres must complete a centre approval application.

## Quality assurance guidance

Details of quality assurance for BTEC Level 4–7 qualifications are available on our website [qualifications.pearson.com](http://qualifications.pearson.com).

# Programme design and delivery

## Mode of delivery

Pearson does not normally define the mode of delivery BTEC Level 4 to Level 8 qualifications. Centres are free to offer the qualifications using any mode of delivery (such as full-time, part-time, evening only, distance learning) that meets their learners' needs. Whichever mode of delivery is used, centres must ensure that learners have appropriate access to the resources identified in the specification and to the subject specialists delivering the units. This is particularly important for learners studying for the qualification through open or distance learning.

Learners studying for the qualification on a part-time basis bring with them a wealth of experience that should be utilised to maximum effect by tutors and assessors. The use of assessment evidence drawn from learners' work environments should be encouraged. Those planning the programme should aim to enhance the vocational nature of the qualification by:

- liaising with employers to ensure a course relevant to learners' specific needs
- accessing and using non-confidential data and documents from learners' workplaces
- including sponsoring employers in the delivery of the programme and, where appropriate, in the assessment
- linking with company-based/workplace training programmes
- making full use of the variety of experience of work and life that learners bring to the programme.

## Resources

BTEC Level 5 qualifications are designed to give learners an understanding of the skills needed for specific vocational sectors. Physical resources need to support the delivery of the programme and the assessment of the learning outcomes, and should therefore normally be of industry standard. Staff delivering programmes and conducting the assessments should be familiar with current practice and standards in the sector concerned. Centres will need to meet any specific resource requirements to gain approval from Pearson.

Where specific resources are required these have been indicated in individual units in the *Essential resources* sections.

## Delivery approach

It is important that centres develop an approach to teaching and learning that supports the vocational nature of BTEC Level 5 qualifications and the mode of delivery. Specifications give a balance of practical skill development and knowledge requirements, some of which can be theoretical in nature. Tutors and assessors need to ensure that appropriate links are made between theory and practical application and that the knowledge base is applied to the sector. This requires the development of relevant and up-to-date teaching materials that allow learners to apply their learning to actual events and activity within the sector. Maximum use should be made of learners' experience.

# Access and recruitment

Pearson's policy regarding access to its 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 wishing to access the qualifications.

Centres are required to recruit learners to BTEC qualifications with integrity. This will include ensuring that applicants have appropriate information and advice about the qualifications and that the qualification will meet their needs. Centres should take appropriate steps to assess each applicant's potential and make a professional judgement about their ability to successfully complete the programme of study and achieve the qualification. This assessment will need to take account of the support available to the learner within the centre during their programme of study and any specific support that might be necessary to allow the learner to access the assessment for the qualification. Centres should consult our policy on learners with particular requirements.

Centres will need to review the entry profile of qualifications and/or experience held by applicants, considering whether this profile shows an ability to progress to a higher level qualification.

## 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.

## Restrictions on learner entry

The Pearson BTEC Level 5 Certificate and Diploma in Management are accredited on the for learners aged 18 and above.

## 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 whether at work, home and at leisure, 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. Provided that 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.

There is further guidance in our policy document *Recognition of Prior Learning Policy and Process*, available on our website.

# Unit format

Each unit has 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

All units have a credit value. The minimum credit value that may be determined for a unit is one, and credits can only be awarded in whole numbers. Learners will be awarded credits for the successful completion of whole units.

## 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.

## Unit introduction

The unit introduction gives the reader an appreciation of the unit in the vocational setting of the qualification, as well as highlighting the focus of the unit. It gives the reader a snapshot of the unit and the key knowledge, skills and understanding gained while studying the unit. The unit introduction also highlights any links to the appropriate vocational sector by describing how the unit relates to that sector.

## 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 content

The unit content identifies the breadth of knowledge, skills and understanding needed to design and deliver a programme of learning to achieve each of the learning outcomes. This is informed by the underpinning knowledge and understanding requirements of the related National Occupational Standards (NOS), where relevant. The content provides the range of subject material for the programme of learning and specifies the skills, knowledge and understanding required for achievement of the unit.

Each learning outcome is stated in full and then the key phrases or concepts related to that learning outcome are listed in *italics* followed by the subsequent range of related topics.

### Relationship between content and assessment criteria

The learner should have the opportunity to cover all of the unit content.

It is not a requirement of the unit specification that all of the content is assessed. However, the indicative content will need to be covered in a programme of learning in order for learners to be able to meet the standard determined in the assessment criteria.

### Content structure and terminology

The information below shows the unit content is structured and gives the terminology used to explain the different components within the content.

- Learning outcome: this is shown in **bold** at the beginning of each section of content.
- *Italicised sub-heading*: it contains a key phrase or concept. This is content which must be covered in the delivery of the unit. Colons mark the end of an italicised sub-heading.
- Elements of content: the elements are in plain text and amplify the sub-heading. The elements must be covered in the delivery of the unit. Semi-colons mark the end of an element.
- Brackets contain amplification of content which must be covered in the delivery of the unit.
- 'e.g.' is a list of examples, used for indicative amplification of an element (that is, the content specified in this amplification could be covered or could be replaced by other, similar material).

## Essential guidance for tutors

This section gives tutors additional guidance and amplification to aid understanding and a consistent level of delivery and assessment. It is divided into the following sections.

- *Delivery* – explains the content’s relationship to the learning outcomes and offers guidance about possible approaches to delivery. This section is based on the more usual delivery modes but is not intended to rule out alternative approaches.
- *Assessment* – gives amplification about the nature and type of evidence that learners need to produce in order to achieve the unit. This section should be read in conjunction with the assessment criteria.
- *Essential resources* – identifies any specialist resources needed to allow learners to generate the evidence required for each unit. The centre will be asked to ensure that any requirements are in place when it seeks approval from Pearson to offer the qualification.
- *Indicative resource materials* – gives a list of resource material that benchmarks the level of study.





# Units



# Units

Unit 1:	Principles of Management and Leadership	21
Unit 2:	Strategic Business Management and Planning	29
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Unit 4:	Principles of Business Finance	45
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# **Unit 1: Principles of Management and Leadership**

**Unit reference number:** R/506/2070

**Level:** 5

**Credit value:** 7

**Guided learning hours:** 24

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## **Unit aim**

The aim of this unit is for learners to study leadership and management theories and principles, leadership styles and motivating and managing performance.

## **Unit summary**

Successful businesses need leaders to provide them with direction and purpose and managers to ensure that business activities allow the vision to be fulfilled and goals achieved.

In this unit you will learn about the theories that have shaped the understanding of leadership and management and how these ideas have provided a guide to action for managers and leaders who secure success for their businesses. Consideration will be given to leadership styles and how and why they are used and the extent to which they are effective. Styles have to be tailored to different purposes and situations; what works in the police service may not work in a software business starting up and vice versa.

Managers and leaders can motivate and empower staff to work effectively to contribute to business success. In some cases, business leaders are revered for the ways in which they inspire their employees by articulating the mission and goals of the business. More traditionally, a reward system is used and rewards can be tailored to motivate specific groups and particular individuals. Reward systems are one facet of performance management. Other techniques are used to develop employees' performance to ensure that the work they do contributes to the achievement of business goals.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand leadership and management theories and principles	<ul style="list-style-type: none"><li>1.1 Characterise the concepts and nature of management and the function of leadership</li><li>1.2 Evaluate concepts and definitions of leadership and their influence on management</li><li>1.3 Evaluate the influence of effective and ineffective leadership and management on team behaviour and business performance</li></ul>
2 Understand leadership styles	<ul style="list-style-type: none"><li>2.1 Analyse the characteristics of different leadership styles</li><li>2.2 Evaluate the suitability of different leadership styles for different purposes and situations</li><li>2.3 Evaluate the factors that affect the suitability of different management styles</li><li>2.4 Evaluate the ethical dimensions of leadership styles</li></ul>
3 Understand motivation and empowerment	<ul style="list-style-type: none"><li>3.1 Analyse the relationship between job satisfaction, commitment, motivation, empowerment and business performance</li><li>3.2 Evaluate the implications of motivation and empowerment for an organisation's structure and culture</li><li>3.3 Analyse the implications for employee relations policy of a strategy that empowers a workforce</li><li>3.4 Analyse the principles underpinning a reward strategy</li></ul>

Learning outcomes	Assessment criteria
<p>4 Understand the management of performance</p>	<p>4.1 Assess approaches to performance management and appraisal</p> <p>4.2 Assess the factors involved in managing a work-life balance and their implications for individuals</p> <p>4.3 Evaluate the use of tools and techniques to measure human resource interventions</p> <p>4.4 Identify areas for improvement through reflection on their own practice</p>

## Unit content

### 1 Understand leadership and management theories and principles

*Leadership and management:* leadership principles; strategic vision creation; mission; aims; inspiring others; influencing others; establishing culture; establishing structure; determining policy framework; providing direction; leadership theories, e.g. trait theory, behavioural theory; transformational leadership; management principles; implement vision to achieve objectives; plan; co-ordinate; monitor; control; optimise; management theories, e.g. scientific management (F W Taylor); human relations (G E Mayo); behavioural (e.g. D M McGregor); systems theory (L von Bertalanffy), contingency (F E Fielder); chaos theory (T Peters); differences between management and leadership

*Business performance:* improving business performance; developing and leading; effective management of resources; innovation; implementing change, reviewing objectives; reviewing performance; stakeholder engagement; negative impact of ineffective leadership and management, e.g. loss of competitive advantage; stagnation; decline

### 2 Understand leadership styles

*Leadership and management styles:* management and leadership style, e.g. autocratic, charismatic, persuasive, participative; influences on style, e.g. organisational culture; values of managers/leaders; emotional leadership styles, e.g. D Goleman Six Leadership Styles, Hay-McBer Emotional Competence Inventory, V Dulewicz and M Higgs Leadership Dimensions; R Blake and J Mouton's Managerial Grid; differentiation between management and leadership styles in given situations adapting management and leadership styles in given situations; impact of styles on decision making

*Ethical dimensions:* ethical issues; corporate governance; responsibility; accountability; moral hazard; external factors, e.g. legislation, codes of conduct; social obligations; corporate citizenship; internal, e.g. ownership model; values; vision; mission; culture; sustainability; leadership and management responses



### 3 Understand motivation and empowerment

*Motivation:* purpose, e.g. productivity, engagement, commitment, job satisfaction; theories of motivation; sources of motivation (intrinsic, extrinsic); content theories, e.g. A Maslow Hierarchy of Needs, D M McGregor Theory and Theory Y, F Herzberg Motivation-Hygiene theory, C Alderfer Existence, Relatedness and Growth (ERG) theory; process theories, e.g. V Vroom Expectancy theory, R House and G Dessler Path-Goal theory; F Heider Attribution theory; E Deci and M Ryan Self-determination theory; motivational techniques, e.g. rewards (financial, non-financial), praise, encouragement, recognition, celebration of achievement, clear goals, feedback, learning and development

*Empowerment:* delegation (power, authority, tasks, decision making); impact of structure (flat and matrix structures, lines of management, reporting lines, communication channels); impact on culture (autonomy, responsibility, decision making, accountability, motivation, job satisfaction); productivity gains; support business objectives

*Reward strategy:* purposes, e.g. recruit, retain, remunerate; engage, motivate; productivity; short-term rewards; long-term rewards; employee recognition; link rewards to business results; financial rewards, non-financial rewards; external competitiveness

### 4 Understand the management of performance

*Performance management:* purpose; improve employee performance; improve team performance; improve business performance; performance plans; performance indicators, e.g. productivity, output, attitude, commitment; gathering performance information; appraisal; causes of effective performance and underperformance; review; rewarding good performance; remedying poor performance, e.g. mentoring; counselling, training, development, discipline, termination of employment

*Personal development:* work-life balance; personal development plans; professional development plans; implications; resource requirements; targets; milestones; review; reflection

## Essential guidance for tutors

### Delivery

The learning outcomes in this unit can be delivered flexibly. Tutors have the opportunity to use a wide a range of teaching and learning strategies, including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources.

Tutors can illustrate points with reference to examples of businesses that demonstrate best practice in respect of management and leadership. 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 management and leadership.

To introduce the unit and learning outcome 1, it could be useful to have a group discussion on the term 'leadership' and the differences between management and leadership. There are many views that leadership is different from managing and learners can work in small groups, research articles to be presented to the whole class and debated. Tutor input on management and leadership styles can lead into learner discussions comparing similarities and differences and consider their own management/leadership style. For learning outcome 2, learners could be shown video/DVD clips of different leadership styles and discuss the types of situations within which the different styles would be effective and ineffective. Learning outcome 3 could start on a discussion on the relationship between empowerment and motivation and its influence on an organisations paradigm, linking in performance management and work life balance from learning outcome 4.

### Assessment guidance

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For learning outcomes 1 and 2, an investigative assignment could be used to review current approaches to management and leadership (AC 1.3, 2.3, 2.4). The assignment could be in the form of a presentation with supporting materials for a group of management trainees recently recruited to a business. In the presentation there could be an exploration of management theories and principles as well as management and leadership styles (AC 1.1, 1.2, 2.1, 2.2).

For learning outcomes 3 and 4, a case study could be used to consider performance management. Learners could produce a guide for managers in a business where performance management needed to be improved, and how, if at all, motivation and empowerment can influence performance (AC 3.1, 3.4, 4.2, 4.3, 4.4).

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## Resources

### Books

Adair J – *The Inspirational Leader: How to Motivate, Encourage and Achieve Success* (Kogan Page, 2005) ISBN: 9780749444563

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

Cameron E and Green M – *Making Sense of Change Management: A Complete Guide to the Models Tools and Techniques of Organizational Change* (3rd edition), (Kogan Page, 2012) ISBN: 9780749464356

Gold G, Thorpe R and Mumford A – *Leadership and Management Development* (5th edition) (Chartered Institute of Personnel and Development, 2010) ISBN: 9781843982449

### Journal

*Management Today*, Haymarket Media Group Ltd, has articles on management topics

### Websites

[www.acas.org.uk](http://www.acas.org.uk) – ACAS provide information on managing employee performance

[www.managementhelp.org](http://www.managementhelp.org) – free management library, information on leadership and management subjects

[www.managers.org.uk](http://www.managers.org.uk) – Chartered Institute of Management, practical advice on management issues with a range of online resources on management topics. Membership is required to access the materials.

### Podcasts

*The Bottom Line* podcasts and downloads chaired by Evan Davies or Stephanie Flanders. The podcasts bring together current practitioners to discuss current business matters. Many podcasts touch on topics relevant to the unit, for example the podcasts on Who's the Boss? and Self Improvement consider aspects of management and leadership.

They can be searched through and downloaded from:  
[www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all).



# **Unit 2: Strategic Business Management and Planning**

**Unit reference number:** K/506/3659

**Level:** 5

**Credit value:** 7

**Guided learning hours:** 40

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## **Unit aim**

The aim of this unit is for learners to study the role of strategic planning and management in an organisation and how internal and external environmental factors can influence the planning process. The unit will also consider strategies to help the organisation to achieve competitive advantage.

## **Unit summary**

Strategic plans shape the long-term purpose and direction of businesses. These plans are agreed by the board in response to evaluating the internal and external business environment. The changing business environment often results in strategic plans then involves radical change, for example when a software house elects to develop electric vehicles.

In this unit you will learn about the importance of strategic planning in businesses and how and why businesses develop their strategic plans. Strategies vary between businesses. Some opt for growth, others opt for market share and yet others opt for brand leadership. Various factors are weighed up in developing strategy, including the influence of the external environment, the business' mission and the degree of risk associated with strategic options. Environmental factors are significant and businesses have to respond to global pressures and the interests of a wide diversity of stakeholders in formulating strategic plans. Consideration will be given to how a selected strategy is used to achieve competitive advantage. Brand leadership may allow market skimming pricing, and growth in market share forces competitors to play catch up. Strategic planning underpins the long-term development of businesses and provides the framework for the development of operations that will ensure achievement of business objectives.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the role of strategic planning in organisations	<ul style="list-style-type: none"><li>1.1 Evaluate processes by which organisations identify their goals and values</li><li>1.2 Discuss the purpose and role of strategic business management and planning in an organisation</li><li>1.3 Evaluate the classic and contemporary models used in developing business strategies and plans</li></ul>
2 Understand the impact of internal and external factors on organisations	<ul style="list-style-type: none"><li>2.1 Analyse ways in which the internal and external environment can influence organisational management and planning strategies</li><li>2.2 Discuss the influence of organisational governance requirements on management and planning strategies</li><li>2.3 Explore the impact of internal and external risk factors on strategic business management activities</li></ul>
3 Understand the strategies that organisations use to achieve competitive advantage	<ul style="list-style-type: none"><li>3.1 Analyse ways in which an organisation positions itself to outperform its competitors</li><li>3.2 Evaluate appropriate competitor advantage strategies for emerging, maturing and declining positions</li></ul>
4 Understand the environmental factors that affect strategic business management and planning	<ul style="list-style-type: none"><li>4.1 Discuss how emerging global issues can impact upon the strategic management and planning activities in an organisation</li><li>4.2 Evaluate the impact of stakeholder interests in shaping strategic management and planning activities in an organisation</li><li>4.3 Analyse ways in which organisations respond to environmental factors, when making strategic plans</li></ul>

## Unit content

### 1 Understand the role of strategic planning in organisations

*Business objectives:* vision; mission; values; goals; objectives; setting objectives, e.g. founder, owners, primary decision makers, nominal group technique, expert judgement, 'straw man', group consensus; strategic planning features including direction, focus, resources, time constraints, achievable outcomes, performance indicators; framework for managerial action

*Strategic planning:* models, e.g. mechanistic planning; goals-based planning; issues-based planning; alignment planning; scenario planning; organic planning; real-time planning; strategy hierarchy; consistency between business strategy and subsidiary strategies

### 2 Understand the impact of internal and external factors on organisations

*Business environment:* environmental analysis techniques: external to include political, economic, social, technological, legal and ethical (PESTLE) analysis, environmental scanning, horizon scanning; internal, e.g. strengths, weaknesses, opportunities threats (SWOT) analysis and mission, objectives, strategies, tactics (MOST) analysis; business environments (macro-environment, meso-environment, micro-environment)

*Governance:* UK Corporate Governance Code; business leadership; establishing mission; providing direction; long-term planning; creating and delegating authority; establishing policies and procedures; legal and regulatory compliance; oversight of progress; ensuring business continuity; culture; lines of accountability; strategy review

*Risk:* types (operational, financial, hazard, strategic); uncertainty; risk probability; impact of risk; cost of risk; recognising risk as a factor in strategic planning

### 3 Understand the strategies that organisations use to achieve competitive advantage

*Competitive advantage:* revenue growth; sales volumes; profitability; market share; productivity; cost control; market leadership; technological leadership; innovation; reputation; integration of business functions; responsiveness to customers; pricing strategies

*Strategies:* product based, e.g. differentiation, innovation, diversification, contraction; price/cost based; service based; growth; market dominance; re-engineering; de-layering; re-structuring; downsizing; market position (emerging, maturing, declining); matching strategy to market position

#### 4 **Understand the environmental factors that affect strategic business management and planning**

*Environmental factors:* global issues; location of production; cost of production; emerging markets; supply chain management; environmental concerns, e.g. carbon emissions, genetically modified products; international trade agreements; economic alliances; international monetary environment; ethical concerns; responding to global and environmental factors in strategic plans

*Stakeholders:* stakeholders internal, e.g. managers, employees; external, e.g. owners, lenders, government agencies, competitors; stakeholders' interests, e.g. claims, power, influence, priority; responding to stakeholder interests in strategic plans



## Essential guidance for tutors

### Delivery

The learning outcomes in this unit can be delivered flexibly. Tutors have the opportunity to use a wide a range of teaching and learning strategies, including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources.

Tutors can illustrate points with reference to examples of businesses that demonstrate best practice. 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 business management and planning.

For learning outcome 1, learners could research the goals and values for a range of organisations from their websites and share these with the whole class. A tutor-led presentation and group discussion on models for developing business strategies and plans, followed by a class debate on the purpose and role of strategic business management and planning.

For learning outcome 2, the tutor could introduce the topic and discuss the influence of internal and external factors, including risk factors, on the organisation's management and planning strategies. Learners could be given case studies to discuss the influence of governance on planning in small groups.

For learning outcome 3, learners could be given case studies to analyse how the company positioned itself to outperform its competitors, and evaluate competitive strategies that could be used at the various stages of the company's life cycle.

For learning outcome 4, learners could be given scenarios to discuss as a whole group how emerging global issues impact on strategic management and their planning activities. Learners could research organisations to evaluate the impact of stakeholder interest in shaping management and planning activities, and analyse ways in which organisations respond.

### Assessment guidance

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For AC 1.1, learners could provide a written piece of work on the process and methods used to identify goals and values, and to evaluate their effectiveness. For AC 1.2 and 1.3, learners could evaluate classic and contemporary models used to develop strategies and plans and present this to the whole class leading to a discussion on the role of strategic business management and planning led by the learner.

For AC 2.1, learners could provide a written piece of work explaining a range of internal and external environmental factors that influence management planning and discuss the influence of organisational governance requirements on management and planning strategies. Learners could then analyse a case study to determine the environmental factors that influence organisational management and planning strategies, including internal and external risk factors.

For AC 3.1 learners could use work-based problems to analyse ways in which they could position their organisation to outperform competitors, followed up with written work that evaluates a competitive strategy for a business at each stage of its life cycle.

For AC 4.1 and 4.3, learners could lead a presentation on emerging global issues and their impact on strategic management and planning activities and an analysis of ways in which organisations respond to environmental factors when developing strategic plans. For AC 4.2, learners could work in groups evaluate a range of stakeholders and their interests and their impact on shaping strategic management and planning activities.

Assessment can be for individual learning outcomes, for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

Assessment in this unit could be integrated with the assessment in *Unit 3: Strategic Decision Making*.

## Resources

### Books

Evans V – *F T Essential Guide to Developing a Business Strategy: How to Use Strategic Planning to Start Up or Grow Your Business* (1st edition), (F T Publishing International, 2013) ISBN: 9781292002613

Johnson G, Scholes K and Whittington R – *Exploring Corporate Strategy: Text and Cases* (8th edition) (FT Prentice Hall, 2007) ISBN: 9781405887328

### Journals

*Management Today*, Haymarket Media Group Ltd, has articles on management topics including business strategy and planning.

*The Economist*, The Economist Newspaper Ltd, has a business section and articles on business strategy and planning from time to time.

### Websites

[www.managementhelp.org](http://www.managementhelp.org) – the free management library, information on strategic planning subjects.

[www.managers.org.uk](http://www.managers.org.uk) – Chartered Institute of Management, practical advice on management issues with a range of online resources on management topics. Membership is required to access the materials.

### Podcasts

The Bottom Line Podcasts and Downloads chaired by Evan Davies or Stephanie Flanders. The podcasts bring together current practitioners to discuss current business matters. Many podcasts touch on topics relevant to the unit, for example the podcasts on Transformation and Planning for the Future consider aspects of strategic planning.

They can be searched through and downloaded from [www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all).

*In Business* with Peter Day has podcasts on relevant topics such as Survival Strategy and The New Manufacturing. They can be found at: [www.bbc.co.uk/programmes/b006s609/episodes/guide](http://www.bbc.co.uk/programmes/b006s609/episodes/guide).

### Broadcasts

In conjunction with the Open University the BBC series *Business Boomers* looks at a number of current business developments, including strategic planning and decision making.



## Unit 3:

## Strategic Decision Making

**Unit reference number:** K/506/3662

**Level:** 5

**Credit value:** 6

**Guided learning hours:** 32

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### Unit aim

The aim of this unit is for learners to study the role of information in strategic decision making and how information systems can support business activity.

### Unit summary

Businesses have to adapt and change in response to internal and external factors if they are to survive. Strategic development necessitates strategic decision making to shape the future purpose and direction of businesses.

In this unit you will learn about the role of information in strategic decision making. Markets are fluid and businesses need to understand the markets in which they operate in order to capitalise on any changes. For example regulations and public concerns in respect of carbon emissions require vehicle manufacturers to make strategic decisions about engine technologies and the associated investment in research, development and production. To make such decisions, businesses need extensive, reliable information support systems to ensure that effective decisions are made. These can be based on quantitative approaches but they may have limitations when qualitative information for decision making is considered. Strategic decision making may involve the application of structured tools in order to make optimal decisions that will ensure a business' survival and development.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the role of information in strategic decision making	<ul style="list-style-type: none"><li>1.1 Discuss the link between strategic decision making and business goals</li><li>1.2 Evaluate the role of information in strategic decision making</li><li>1.3 Evaluate the requirement for integrated information systems to support strategic decision making</li><li>1.4 Discuss the need to align information systems with business strategy</li><li>1.5 Assess the need for a corporate information systems strategy</li></ul>
2 Understand how information systems support business activity	<ul style="list-style-type: none"><li>2.1 Evaluate the contribution of information systems to business planning</li><li>2.2 Assess the value of information systems to business decision making</li><li>2.3 Assess the role of information systems in supporting business operations</li></ul>
3 Understand quantitative approaches to strategic decision making	<ul style="list-style-type: none"><li>3.1 Analyse ways in which quantitative approaches are used to support strategic decision making</li><li>3.2 Evaluate the reliability of quantitative techniques used in strategic decision making</li><li>3.3 Evaluate the limitations of quantitative techniques in strategic decision making</li></ul>

Learning outcomes	Assessment criteria
<p>4 Understand systems approaches to strategic decision making</p>	<p>4.1 Evaluate the contribution of systems approaches to strategic decision making</p> <p>4.2 Discuss how decision making theories can inform strategic decision making</p> <p>4.3 Analyse the limitations of decision-making theories in strategic decision making</p>

## Unit content

### 1 Understand the role of information in strategic decision making

*Information:* quality of information, e.g. complete, organised, accurate, relevant, reliable, intelligible, timely, fit-for-purpose; type of information (tacit, explicit); provision of certainty; risk reduction; informed decision making; prompt decision making; control (strategic, managerial); competitive advantage, business insights; evaluate strategic options; communication with relevant stakeholders

*Information systems:* networks (intranets, extranets); worldwide web; hardware; software; communications; management information systems (MIS); decision support systems (DSS); automated decision making; systems integration; shared data; systems connectivity; alignment with business strategy; costs; benefits; corporate information systems strategy

### 2 Understand how information systems support business activity

*Planning:* informed decision making; uncertainty reduction; factoring risk; formulating plans; objective setting; establishing benchmarks; implementing vision; efficient use of resources; improved competitiveness; systems efficiencies

*Decision making:* levels of decision making (strategic, tactical, operational); problem definition; analysis of alternatives; prioritising options; selecting from alternatives; fallback options; quantifying costs and benefits of decisions; improved reliability; speed of decision making; issues requiring decisions (bounded, unbounded); unintended consequences

*Operations:* operational areas, e.g. manufacturing; distribution; marketing; customer relationship management; finance; human resources; activities (plan, co-ordinate, monitor, feedback, control, optimise)

### 3 Understand quantitative approaches to strategic decision making

*Quantitative approaches:* statistical techniques; operational research; linear programming; business analytics; game theory; project management (critical path management [CPM], performance evaluation review technique [PERT]); process planning; simulation; use of software tools, e.g. statistical analysis system (SAS), Statistical Package for the Social Sciences (SPSS), enterprise resource planning

*Limitations:* assumptions; quality of data; qualitative factors; reliability of technique; confidence in output information; predictive usefulness; system shock (exogenous, endogenous); interpretive subjectivity



#### 4 **Understand systems approaches to strategic decision making**

*Systems approaches:* approaches, e.g. soft systems methodology, viable systems model, system dynamics, strategic options development and analysis, critical systems heuristics; advantages and limitations of systems approaches

*Decision-making theories:* choice under uncertainty; theories, e.g. rational model; incremental decision-making model; mixed scanning model; contingency theory; expected utility theory; limitations of decision making theories, e.g. assumptions; incomplete problem definition, information overload, subjectivity

## Essential guidance for tutors

### Delivery

The learning outcomes in this unit can be delivered flexibly. Tutors have the opportunity to use a wide a range of teaching and learning strategies, including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources.

Tutors can illustrate points with reference to examples of businesses that demonstrate best practice. 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 strategic decision making.

For learning outcome 1, the tutor could introduce the topic with a presentation, followed by a discussion or debate on the link between strategic decision making and business goals, the role of information systems and the need to align this with the business strategy. Learners could carry out research on integrated information systems that support strategic decision making and evaluate the outcome.

For learning outcome 2, learners could research academic websites on information systems and how they influence business planning and decision making, learners could then present their work in groups to the whole class, followed by tutor-led discussion or debate.

For learning outcome 3, the tutor could present the topic supported by handouts and supporting articles, learners could then carry out additional research on methods used to conducting a quantitative approach to support strategic decision making and evaluate its reliability and limitations and present their findings in a report.

For learning outcome 4, following a tutor-led introduction, learners could carry out additional research into the methods and contribution of a systems approach towards strategic decision making, and analysing any limitations and to present their findings to the whole class.

### Assessment guidance

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For AC 1.1, the learner could discuss the link between strategic decision-making and business goals in a piece of written work. For AC 1.2 and 1.3, the learner could use a work-based problem that requires them to evaluate the role of information and integrated information systems to support strategic decision making, using evidence from the problem to support their evaluation. For AC 1.4 and 1.5, the learner could produce a report to assess the need for a corporate information systems strategy and discuss the need to align information systems to business strategy.

For AC 2.1, 2.2 and 2.3, learners could research academic and business websites on the contribution of information systems to business planning and decision making and supporting business operations, and then present their findings in a report and make a presentation to deliver to the whole class.

For AC 3.1, 3.2 and 3.3, learners could research academic websites and produce a report on quantitative approaches to support decision making, the reliability of quantitative techniques as well as evaluating their limitations.

For AC 4.1, 4.2 and 4.3, learners could conduct research and evaluate the contribution of systems approach decision making, discuss decision-making theories and analysing its limitations, and make a presentation to the whole class.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

Assessment in this unit could be integrated with the assessment in *Unit 15: Strategic Business Management and Planning*

## Resources

### Books

Cameron E and Green M – *Making Sense of Change Management: A Complete Guide to the Models Tools and Techniques of Organizational Change* (3rd edition), (Kogan Page, 2012) ISBN: 9780749464356

*Harvard Business Review on Decision Making* – (Harvard Business School Press, 2001) ISBN: 9781578515578

Hoch S J, Kunreuther, H C and Gunther R E (editors) – *Wharton on Making Decisions* (new edition) (John Wiley and Sons, 2004) ISBN: 9780471689386

Monahan G E – *Management Decision Making: Spreadsheet Modeling, Analysis, and Application* (Cambridge University Press, 2000) ISBN 9780521781183

Wang C – *Managerial Decision Making Leadership*, (John Wiley and Sons, 2010) ISBN: 9780470825259

### Journals

*Management Today* – Haymarket Media Group Ltd. has articles on management topics, including strategic change and decision making

### Websites

[www.managers.org.uk](http://www.managers.org.uk) – the Chartered Institute of Management website provides practical advice on management issues with a range of online resources on management topics. Membership is required to access the materials.

<http://managementhelp.org/personalproductivity/problem-solving.htm> – the free management library, information on decision making and strategic management.

### Podcasts

*The Bottom Line* podcasts and downloads chaired by Evan Davies or Stephanie Flanders. The podcasts bring together current practitioners to discuss current business matters. Many podcasts touch on topics relevant to the unit, for example the podcasts on Decision Making, Transformation, Futurology for Business and Planning for the Future consider aspects of strategic change and decision making. They can be searched through and downloaded from [www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all).

### Broadcasts

In conjunction with the Open University the BBC series *Business Boomers* looks at a number of current business developments including strategic development and decision making.

# **Unit 4: Principles of Business Finance**

**Unit reference number: Y/506/2054**

**Level: 5**

**Credit value: 5**

**Guided learning hours: 33**

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## **Unit aim**

The aim of this unit is to give the learner knowledge, understanding and skills relating to the financial information used in the management and decision-making process for an organisation.

## **Unit summary**

Effective financial management underpins business success. Finance provides the funds for a business' operations and ensures its stability and continuity. Additionally, financial management generates information that informs the decision making required to ensure that businesses meet their objectives.

In this unit you will learn about how to analyse the financial health of a business in respect of its profitability and stability. All businesses need to produce accounts in order to have an insight into their financial position. Balance sheets provide information on the sources of finance and how they are then used within the business. Income statements measure the profit position of businesses. In addition, managers need financial information to support decision making. Consideration will be given to management accounting and how it is used in the decision-making process. It helps answer questions about what price to charge for a product or service so it is not sold at a loss, whether to make or buy a product and which among alternative capital investments should be chosen. Financial management provides the techniques that help measure whether a business is sustainable and whether it is meeting its objectives.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand business finance within a management context	<ul style="list-style-type: none"><li>1.1 Explain how to analyse the financial health of an organisation by interpreting a set of accounts and management information</li><li>1.2 Explain the uses and limitations of financial ratios</li><li>1.3 Explain the uses of statutory financial reports</li><li>1.4 Explain the difference between the uses of cost accounting and management accounting</li><li>1.5 Explain the benefits and limitations of short-term and long-term financing options</li><li>1.6 Explain how to carry out a cost-benefit analysis</li></ul>
2 Understand the commercial implications of managerial decisions	<ul style="list-style-type: none"><li>2.1 Analyse the uses of management accounts for decision-making purposes</li><li>2.2 Evaluate the importance of break even, contribution and their underlying assumptions</li><li>2.3 Evaluate the effectiveness and suitability of budgetary control methods</li><li>2.4 Explain tools and techniques to identify commercial opportunities and risks</li><li>2.5 Assess the commercial impact of managerial decisions</li></ul>

## Unit content

### 1 Understand business finance within a management context

*Interpreting accounts:* financial statements; income statements; cash flow statements; types of business; use of reports by stakeholders (owners, managers, employees, suppliers, customers, financiers, government); stakeholders' interests

*Types of accounting:* management accounting; regulatory framework (Companies Act 2006, Partnership Act 1890, Financial Reporting Standards); cost accounting; purposes (costing, budgeting, pricing, control, decision making)

*Ratio analysis:* purposes (profitability, liquidity, efficiency; shareholder returns, financing); gross profit percentage; net profit percentage; return on capital employed (ROCE); current ratio; acid test ratio; debtors' collection period; creditors payment period; turnover period; earnings per share; dividend cover; dividend yield; price/earnings (P/E) ratio; gearing ratio; interest cover; limitations of ratio use

*Sources of finance:* capital markets; retained earnings; bank borrowing; government schemes; venture capital; trade credit; factoring; leasing; business angels; purposes of finance; duration; matching sources to purpose

*Cost benefit analysis:* investment appraisal; techniques (discounted cash flow; net present value, payback period); benefits, e.g. recognition of externalities, prioritises investments; problems, e.g. valuation of costs and benefits, attitudes to risk

### 2 Understand the commercial implications of managerial decisions

*Management accounting:* decision making (financial strategy, investment, costing; budgeting, expenditure, cash management); financial analysis; assessing financial risk; financial planning; cost measurement; cost apportionment; impact of decisions (costs, pricing, profits, sustainability, continuity; flexibility, competitive advantage, business objectives)

*Break even:* break-even point; revenues, costs (fixed, variable); margin of safety; uses; limitations, e.g. cost assumptions, impact of stockholding, supply side focus

*Budgetary control:* purposes (plan, co-ordinate, monitor, control); budgetary methods (incremental, zero-based, fixed, flexible); master budget; subsidiary budgets; variance analysis; budgetary assumptions; budget flexing; uncertainty; risk

*Commercial opportunities and risks:* identification of opportunities, e.g. environmental scanning, environmental analysis, market research; business analytics; forecasting; types of risk (operational, financial, hazard, strategic); assessing potential impact of risks; managing risks

## Essential guidance for tutors

### Delivery

The learning outcomes in this unit can be delivered flexibly. Tutors have the opportunity to use a wide a range of teaching and learning strategies, including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources.

Tutors can illustrate points with reference to examples of businesses that demonstrate best practice. 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 finance.

For learning outcome 1, the tutor could introduce the topic and the technical terms. Learners could research on the Companies House website, to look at examples of companies' accounts and management information, and in groups they could discuss how they would analyse the information with the tutor close by for support. The tutor will need to present how to use and the limitations of financial ratios, look at financing options and explain the difference between cost and management accounting.

For learning outcome 2, the tutor will lead discussions and presentations on using management accounting information in the decision-making process. Learners could be provided with work-based problems where they will be required to make a variety of calculations and prepare a report on how the data can support and lead decision making.

### Assessment

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For all learning outcomes a series of financially based scenarios could be provided to allow learners to manipulate financial data and to explain how and why it is used to manage businesses. The assignment could be in the form materials to help non-financial managers understand the importance of finance to the wellbeing of a business.

For AC 1.1, 1.2 and 1.3, learners could produce a written report on how to analyse the financial health of an organisation from their set of accounts or statutory financial reports, using financial ratios to support outcomes. For AC 1.4 and 1.5, learners could be provided with hypothetical scenarios for which financing is required for both long- and short term, learners could support their selection with calculations using different financing options and carrying out a cost-benefit analysis.



For AC 2.1, learners could produce a report on the use of management accounting in the decision-making process and then using a work-based problem, evaluate the importance of carrying out a break-even analysis for AC 2.2. For AC 2.3, 2.4 and 2.5, learners could use a problem scenario to evaluate a range of budgetary control methods, explain the tools and techniques used to identify commercial opportunities and risk and assess the commercial impact of their decision.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## Resources

### Books

Dyson J R – *Accounting for Non-Accounting Students*, (8th edition)  
(FT Prentice Hall, 2011) ISBN: 9780273722977

McKenzie F T – *Guide to Using and Interpreting Company Accounts* (4th edition)  
(Financial Times/Prentice Hall, 2009) ISBN: 9780273723967

Rice A – *Accounts demystified* (6th edition) (Prentice Hall Business, 2001)  
ISBN: 9780273744702

### Journal

*Accountancy Age* – Incisive Financial Publishing Limited, has articles on financial topics

### Websites

[www.businesscasestudies.co.uk](http://www.businesscasestudies.co.uk) – The Times 100: financial case studies

[www.frc.org.uk](http://www.frc.org.uk) – Financial Reporting Council, information on accounting standards

[www.gov.uk](http://www.gov.uk) – the UK Government portal, guidance of law that affects businesses

### Podcasts

[www.bbc.co.uk/podcasts/series/worldbiz/all](http://www.bbc.co.uk/podcasts/series/worldbiz/all)

*The World of Business* podcasts and downloads chaired by Peter Day. The podcasts bring together practitioners to discuss current business matters.

# **Unit 5: Product and/or Service Portfolio Management**

**Unit reference number:** J/506/3880

**Level:** 5

**Credit value:** 4

**Guided learning hours:** 26

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## **Unit aim**

The aim of this unit is for learners to study the requirements for a portfolio of products or services and how these are developed.

## **Unit summary**

Businesses need to exploit their brands and to manage the risks of being too dependent on particular products or services. To this end they develop portfolios of products and services so that competitive advantage is sustained and developed.

In this unit you will learn about the need for a product and/or service portfolio in an organisation. A bank may offer its current account holders loans, insurance, motor-vehicle breakdown cover and a credit card. It becomes a one-stop shop for an individual's requirements in respect of financial products and services. For the business, a bank may provide diversification, but into closely-related products.

Consideration will be given to how businesses develop a portfolio of products and/or services that provide additional revenue streams and mitigate the risk of being too dependent on any single product or service. Portfolio management means that unprofitable or outmoded products and/or services are withdrawn but that new products and services are added. Confectionery companies develop a range of ice creams that carry the brand name of popular chocolate bars. Garages develop an aftermarket for products and services that do not come with a vehicle sale, such as servicing packages and accessories. These techniques improve relationships with customers, help develop loyalty and improve revenues and profits, thereby contributing to the achievement of business objectives.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

### On completion of this unit a learner should:

Learning outcomes	Assessment criteria
1 Understand the requirement for a product and/or service portfolio in an organisation	<ul style="list-style-type: none"><li>1.1 Assess how a product and/or service portfolio can provide an organisation with a competitive advantage</li><li>1.2 Discuss how a product and/or service portfolio can be structured to achieve organisational goals</li><li>1.3 Examine the trade-off between the benefits and the risks in having a product and/or service portfolio</li></ul>
2 Understand how to develop a portfolio of products and/or services	<ul style="list-style-type: none"><li>2.1 Explain how to build a product and/or service portfolio</li><li>2.2 Evaluate the link between a product and/or service portfolio and the product and/or service lifecycle</li><li>2.3 Evaluate the relationship between a product and/or service portfolio and marketing in achieving organisational objectives</li><li>2.4 Evaluate the significance of feedback in the design, pricing and promotion of a product and/or service portfolio</li></ul>

## Unit content

### 1 Understand the requirement for a product and/or service portfolio in an organisation

*Product and service portfolios:* support business objectives; structure of product/service portfolio; growth-share/BCG matrix (market growth, market share; cash flow management); requirement for portfolio, e.g. balance business dependencies on particular products/services; manage product/service growth and decline

*Benefits and risks:* identifying benefits; risk spreading; financial benefits, e.g. profits, growth, market share, sales; non-financial benefits, e.g. reputation, brand leadership, quality; quantifying benefits; identifying risks; declining product/service, falling revenues; over dependence on particular products/services; costs; financial risks; non-financial risks, e.g. reputation, quality; quantifying risks

### 2 Understand how to develop a portfolio of products and/or services

*Building product and service portfolios:* marketing strategy; purpose of portfolio, e.g. widening product/service range (complement, compete); new markets; new customers; cross marketing; product surround; aftermarket products/services; after-sales support; brand exploitation; market analysis (environmental scanning; environmental analysis, e.g. PESTLE analysis); portfolio design with the growth-share/BCG matrix

*Product lifecycle:* stages (development, introduction, growth, maturity, saturation, decline); managing product life cycle; product/service portfolio optimisation; synchronisation of product/service portfolio with product life cycle; portfolio analysis for marketing; range of products/services; core products/services; product fit; product contribution to marketing mission and objectives; profitability; competitive position; retain/develop/abandon products/services

*Feedback:* sources of feedback; types (quantitative, qualitative); feedback evaluation; use in portfolio analysis; use in decision making about product/service portfolio (design, structure, pricing, promotion)

## Essential guidance for tutors

### Delivery

For this unit, tuition for the learning outcomes lends itself to flexible delivery. Tutors have the opportunity to use as wide a range of teaching and learning strategies as possible, including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources.

Tutors can illustrate points with reference to examples of businesses that demonstrate best practice. 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 portfolio management.

For learning outcome 1, the tutor could introduce the topic through the use of case studies of organisations with diverse product/service portfolios and then engage learners in a class discussion on the benefits and risk of a service/product portfolio. Learners could then be asked to research organisations and academic websites on how a product/service portfolio can achieve a competitive advantage and structured to achieve organisational goals.

For learning outcome 2, learners could work in groups and use simulated material to build a product/service portfolio for an organisation, they should consider the product/service lifecycle and how this can influence the size of the portfolio and present their feedback to the whole class. The tutor could discuss the relationship between marketing and a product/service portfolio in achieving organisational goals, and evaluate the role of feedback in the design, pricing and promotion of the portfolio.

### Assessment

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For AC 1.1, the learner could produce written work on how a portfolio can provide an organisation with a competitive advantage, using researched material as evidence to reinforce their work. For AC 1.2 and 1.3, learners could present their report on how a product/service portfolio is structured to achieve organisational goals and making the decision as to the benefits and risks in having such a portfolio.

For AC 2.1 and 2.2, using a work-based problem or scenario, learners could devise a product/service portfolio providing a rationale for their decision, including how the life cycle of the product/service has been incorporated into their decision, and present this to the whole class. For AC 2.3 and 2.4, learners can produce written work, based on research, evaluating the relationship between the portfolio and marketing and the significance of feedback in the design, price and promotion of the product/service.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## Resources

### Books

Baker M and Hart S – *The Marketing Book* (6th edition) (Routledge, 2007) ISBN 9780750685665

Clark K B and Wheelwright S C – *Managing New Product and Process Development: Text and Cases* (The Free Press, 1992) ISBN 9780029055175

West D, Ford J and Ibrahim E – *Strategic Marketing: Creating Competitive Advantage* (2nd edition) (OUP Oxford, 2010) ISBN 9780199556601

These books contain information relevant for the unit but go beyond product and service portfolio management.

### Journals

*Marketing Week* – Centaur Communications Ltd, has current news about marketing-related topics

*The Economist* – The Economist Newspaper Ltd, has a business section and articles on innovation, competitiveness and product development, a subscription is required

### Websites

[www.businesscasestudies.co.uk](http://www.businesscasestudies.co.uk) – The Times 100: case studies on a range of product development and marketing subjects

[www.managementhelp.org](http://www.managementhelp.org) – the free management library, information on product development and a range of marketing topics

### Podcasts

*The Bottom Line* podcasts and downloads chaired by Evan Davies or Stephanie Flanders. The podcasts bring together practitioners to discuss current business matters. Many podcasts touch on topics relevant to the unit, for example the podcasts on Rejuvenation and New Marketing consider aspects of product and service development.

They can be searched through and downloaded from:  
[www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all)



## Unit 6:

## Quality Management in an Organisation

**Unit reference number:** Y/602/1479

**Level:** 6

**Credit value:** 5

**Guided learning hours:** 30

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### Unit aim

The aim of this unit is to give learners an understanding of integrated quality systems, particularly the concept of Total Quality Management and how to embed it successfully into the culture of an organisation.

### Unit summary

Ensuring that there are quality management procedures in business means that work is done efficiently, there are no defects in outputs and wastage is minimised. By adopting quality management techniques, business ensure that good products and services come to market and that costs are driven down so sustainable competitive advantage is developed and maintained.

In this unit you will learn about the about the contribution of total quality management (TQM) to business effectiveness. The British Standards Institution (BSI) defines total quality management as a methodology 'to make the organization structure, management and quality system more effective in meeting organizational objectives by maximising its human and material resources'. It uses ideas such as statistical control, zero defect production and quality control to optimise business performance and has led to lean production practices and the formulation of effective quality assurance systems for businesses. Consideration will be given on to how develop and embed TQM into business practice and culture as, in many cases, they offer significantly modified approaches to managing business operations. TQM practices require monitoring to ensure their effectiveness and their contribution to a business's triple bottom line and the achievement of its goals.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the concept of Total Quality Management (TQM)	<ul style="list-style-type: none"><li>1.1 Discuss the importance of quality within an organisation</li><li>1.2 Explain the concept of Total Quality Management (TQM)</li><li>1.3 Discuss the theories of TQM</li><li>1.4 Analyse the difficulties associated with the implementation of TQM</li></ul>
2 Understand the culture needed to embed TQM	<ul style="list-style-type: none"><li>2.1 Explain the importance of teamwork in TQM</li><li>2.2 Discuss the role of training and development in embedding TQM into the culture of an organisation</li><li>2.3 Analyse the management techniques which underpin successful integration of TQM into the culture of an organisation</li><li>2.4 Evaluate the promotion of continuous quality improvement within an organisation's culture</li></ul>
3 Understand the systems that support TQM	<ul style="list-style-type: none"><li>3.1 Describe methods of monitoring TQM</li><li>3.2 Explain methods of controlling TQM</li><li>3.3 Evaluate quality standards that support TQM</li></ul>

## Unit content

### 1 Understand the concept of Total Quality Management (TQM)

*Total quality management:* definitions, e.g. British Standards Institute BS7850-1, International Organization for Standardization ISO 9000:2005, Chartered Quality Institute; dimensions of TQM, e.g. customer focus (internal, external), continuous improvement, process control, management and leadership, teamwork

*Theories of total quality management:* contributions of Deming, Crosby, Juran, Ishikawa, Taguchi, Feigenbaum, European Foundation for Quality Management; methodologies, e.g. Six Sigma and DMAIC (define, measure, analyse, improve, control); lean manufacturing, zero defects, just-in-time, quick response manufacturing

*Impact of total quality management:* quality improvement (products, services, processes); competitive advantage (cost management, revenues, sales volumes, market share, profitability, quality, reputation, market leadership); business objectives; customer needs (internal, external); value added; continuous improvement; difficulties, e.g. level of commitment (strategic, operational), availability of resources, lack of expertise, costs, re-engineering required, timescales

### 2 Understand the culture needed to embed TQM

*Teamwork:* purposes (involvement; empowerment, cohesion, engagement, commitment); shared objectives; open communication; receptive to ideas; mutual respect; co-operative working; team organisation; quality circles; team structures; complementary roles

*Culture:* strategic mission; organisational culture, e.g. open, transparent, collaborative, sharing knowledge; managerial culture, e.g. support, delegation, responsibility, autonomy, accountability; team culture

*Implementation:* managerial commitment; managerial structure; responsibilities; allocate resources; employee commitment; training and development; communicating change; specifying success factors; apply TQM methods; monitor TQM implementation; control of TQM

### 3 Understand the systems that support TQM

*Total quality management standards:* International Organization for Standardization standards (ISO 9001:2008 – requirements, ISO 9004:2009 – improving effectiveness, ISO 19011:2011 – internal and external audits)

*Managing total quality management:* control process; performance measurement; impact measurement; self-assessment; audits (internal, external); review processes; evaluation processes; improvements

## Essential guidance for tutors

### Delivery

The learning outcomes in this unit can be delivered flexibly. Tutors have the opportunity to use a wide a range of teaching and learning strategies, including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources.

Tutors can illustrate points with reference to examples of businesses that demonstrate best practice. 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 total quality management.

For learning outcome 1, the tutor could introduce the topic using a presentation and discussion on the importance of quality and the concepts and theories of Total Quality Management (TQM) and their associated difficulties. Learners could then research academic materials on TQM to support the discussion.

For learning outcome 2, the tutor could use case studies and articles to discuss the need to embed a culture of TQM with an organisation and discuss factors such as teamwork, the need for training and development, management techniques and the need to continuously promote quality improvement with an organisation.

For learning outcome 3, learners could be asked to research on systems used to support TQM such as monitoring output, methods of control and how to evaluate quality standards that support TQM.

### Assessment

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For AC 1.1, 1.2, 1.3 and 1.4, the learner could produce written work discussing the importance of quality, explaining some of the concepts and theories for Total Quality Management (TQM) and analysing the difficulties in implementing TQM.

For AC 2.1, 2.2, 2.3 and 2.3, using a work-based problem, the learner could produce a strategy on embedding TQM within an organisation, ensuring that they cover aspects of teamwork, learning and development, what techniques management will use to integrate TQM and the benefits of promoting continuous TQM.

For AC 3.1, 3.2 and 3.3, the learner could produce a report on potential systems that support TQM, this would entail methods of monitoring and controlling quality output, along with evaluating the quality standards used to support TQM.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## Resources

### Books

Crosby P – *Quality Without Tears: The Art of Hassle-Free Management* (McGraw-Hill Professional, 1995) ISBN: 9780070145115

Deming W E, Orsini J (editor) and Cahill D D (editor) – *The Essential Deming: Leadership Principles from the Father of Quality* (McGraw-Hill Professional, 2013) ISBN: 9780071790222

Oakland J S – *Total Quality Management and Operational Excellence* (4th Edition): Text with Cases (Routledge, 2014) ISBN: 9780415635509

### Journals

*Management Today* – Haymarket Media Group Ltd, has articles on management topics, including quality management

### Websites

[www.businessballs.com](http://www.businessballs.com) –has introductory material on quality management

[www.managementhelp.org](http://www.managementhelp.org) – free management library, information on quality management subjects

[www.managers.org.uk](http://www.managers.org.uk) – the Chartered Institute of Management, practical advice on management issues with a range of online resources on quality management. Membership is required to access the materials

### Podcasts

*The Bottom Line* podcasts and downloads chaired by Evan Davies or Stephanie Flanders. The podcasts bring together practitioners to discuss current business matters. Many podcasts touch on topics relevant to the unit, for example the podcast on Quality considers its importance to business.

They can be searched through and downloaded from:  
[www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all)



# **Unit 7: Principles of Innovation and Change Management**

**Unit reference number:** A/506/3682

**Level:** 5

**Credit value:** 5

**Guided learning hours:** 32

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## **Unit aim**

The aim of this unit is for learners to study the need for innovation and change within an organisation, and how the organisation culture can promote innovation. Learners will study key principles, theories and models relating to change and the role of communication and relationship management within change processes.

## **Unit summary**

Well-managed innovation and change lead directly to the improvement of competitive advantage. New products, services, materials, processes and markets all drive business efficiency and attract new customers, so helping businesses meet their objectives.

In this unit you will learn about the need for innovation and change in businesses. Many businesses, such as aerospace and pharmaceutical firms, actively seek to innovate by investing in research and development activity. Businesses want to offer more-profitable products and services, customers want cheaper and better products and services, and regulators impose legal requirements on markets. So, for example, aircraft are made from lighter material and use fuel-efficient engines so that they can carry more passengers further while at the same time complying with environmental protection requirements.

Businesses need to develop a culture that supports and promotes innovation and the consequential changes that are required. You will learn how employees can be encouraged and supported to innovate and change by seeing such developments as opportunities rather than as threats. Consideration will be given to how change may have some negative impact but that the aim is to ensure that this is outweighed by the beneficial impact. Discount retailers take trade away from established retailers who may have to close branches but an established retailer may then move into multichannel retailing with an online store and develop convenience stores and station outlets. Change requires all stakeholders to be kept informed and engaged but it underpins the drive for businesses to maintain their competitive advantage and achieve their goals.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the need for innovation and change in organisations	1.1 Analyse the relationship between innovation and competitive advantage in an organisation 1.2 Discuss the contribution of internal and external factors to organisational change
2 Understand how organisational culture can promote innovation	2.1 Evaluate the management styles needed to promote an innovative culture in an organisation 2.2 Analyse the features of a culture that supports innovation in an organisation 2.3 Assess sources of innovation in an organisation 2.4 Examine ways in which innovation is encouraged in an organisation
3 Understand key principles, theories and models relating to change in organisations	3.1 Discuss organisational factors that might enable change and those which might hinder change processes in an organisation 3.2 Evaluate current theories and models relating to change and how they might support effective change management in an organisation
4 Understand the role of communication and relationship management within change processes	4.1 Evaluate ways in which positive work relationships can support change processes 4.2 Discuss the different communication needs and types of support that might be required by different stakeholder groups



## Unit content

### 1 Understand the need for innovation and change in organisations

*Innovation and competitive advantage:* innovation (product, service, process, material, markets); sources of innovation (research and development; invention; improvements; suggestions; patents; licences; collaboration, market research); types of innovation (incremental, breakthrough, radical); innovation process (design; develop; test; implement; monitor; review); competitive advantage (increased revenues, increased sales volumes, profitability, reduced costs, increased market share; technological leadership, market leadership, reputation)

*Factors affecting organisational change:* internal, e.g. objectives (mission, aims, goals), management style, structure, control, culture, efficiency, cost reduction; external, e.g. political, economic, social, technical, environmental, legal; maintaining competitive advantage

### 2 Understand how organisational culture can promote innovation

*Management styles:* autocratic; paternalistic; democratic; laissez-faire; contribution of different management styles to innovation

*Culture:* strategic mission; organisational culture, e.g. open, transparent, collaborative; managerial culture, e.g. support, delegation, responsibility, autonomy, accountability; team culture, e.g. synergistic roles; resource availability

### 3 Understand key principles, theories and models relating to change in organisations

*Enabling change:* change required (nature, parameters, intended impact); moving to an agreed, desired position; obtaining support; structuring change; resource commitment; communicate change to stakeholders; test; implementation; impact measurement; review processes; evaluation processes; change iterations

*Change theories and models:* change theories (evolutionary, planned change, life-cycle, cultural); model approaches (linear, e.g. market pull, technology push, phase-gate; coupling; parallel lines; continuous improvement); types of model, e.g. Lewin's unfreeze, change refreeze change management model, Kotter's 8-step change model; McKinsey's 7-S Model; Prosci's ADKAR model

#### **4 Understand the role of communication and relationship management within change processes**

*Positive work relationships:* open communications; respectful for others' views; receptive to ideas; shared objectives; commitment to change; co-operative working

*Communication needs:* stakeholders internal, e.g. managers, employees; external, e.g. owners, lenders, government agencies, competitors; stakeholders' interests, e.g. claims, power, influence, priority; impacts of change; benefits of change; disadvantages of change; dealing with uncertainty; transition arrangements; communication techniques

## Essential guidance for tutors

### Delivery

The learning outcomes in this unit can be delivered flexibly. Tutors can deliver the theoretical material in respect of innovation and change management 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 best practice in respect of change and innovation. 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 change and innovation.

To introduce the unit and learning outcome 1, it could be useful to have a group discussion on the need for innovation and change, asking learners to research organisations and their causes for change and how change influences innovation and vice-versa. Tutor input on innovation and change can lead into learner discussion and debate. Learning outcome 2 could be a good topic for small groups of learners to discuss and debate the benefits of innovation, or research into the types of organisations that are known for being innovative and look for trends in areas where innovation occurs and the management style that fosters an innovative climate. Learners could use case studies simulated or real information from an organisation. For learning outcomes 3 and 4, the tutor can introduce learners to theoretical models of change management. It is useful at this stage for the tutor to use current examples of organisations undergoing change to show how these models could apply.

### Assessment

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For AC 1.1 and 1.2, learners could research case studies on the relationship between innovation and competitive advantage citing organisations where possible to demonstrate the relationship. This could then be presented to the whole class by including a discussion on internal and external factors to organisational change.

For AC 2.1, 2.2 and 2.4, learners could work in groups to analyse the features of an organisation that supports an innovative culture and evaluate management styles that promote such a culture and examine the ways in which this is encouraged. Their work can be presented as a written group project which would include an assessment of where innovation is sourced for AC 2.3, using evidence from research to support the response.

For AC 3.1 and 3.2, learners could produce a written piece of work evaluating key principles, theories and models relating to change and discuss why there is a need for innovation and change and the factors that support and hinder these changes.

For AC 4.1, learners could evaluate a work-based problem on how positive work relationships support change processes, and for AC 4.2 learners could devise a communication strategy in response to the case study, discussing the different communication needs and types of support that different stakeholder groups may need.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## Resources

### Books

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

Chesbrough H W – *Open Innovation: The New Imperative for Creating and Profiting from Technology* (Harvard Business School Press, 2003) ISBN: 9781578518371

De Kare-Silver M – *e-shock 2020: How the Digital Technology Revolution Is Changing Business and All Our Lives* (Palgrave Macmillan, 2011) ISBN: 9780230301306

Johnson G, Scholes K and Whittington R – *Exploring Corporate Strategy: Text and Cases* (8th edition) (FT Prentice Hall, 2007) ISBN 9781405887328

Manwani S – *IT-Enabled Business Change: Successful Management*, (British Computer Society, 2008) ISBN: 9781902505916 (also available as a Kindle edition, ASIN: B004G8QZVK)

### Journals

*Management Today* – Haymarket Media Group Ltd, has articles on management topics including strategic change and organisational change

*The Economist* – The Economist Newspaper Ltd, has a business section and articles on innovation and change management from time to time as well as an extensive archive

### Websites

[www.managementhelp.org](http://www.managementhelp.org) – free management library, information on creativity and innovation

[www.managers.org.uk](http://www.managers.org.uk) – the Chartered Institute of Management provides practical advice on management issues with a range of online resources on managing change. Membership is required to access the materials

### Podcasts

*The Bottom Line* podcasts and downloads chaired by Evan Davies or Stephanie Flanders. The podcasts bring together practitioners to discuss current business matters. Many podcasts touch on topics relevant to the unit, for example the podcasts on Transformation, Futurology for Business and Incumbents vs Upstarts consider aspects of innovation and change.

They can be searched and downloaded  
from: [www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all)

### Broadcasts

In conjunction with the Open University the BBC series *Business Boomers* looks at a number of current business developments and cases in respect of innovation and change.



# **Unit 8: Customer Relationship Management**

**Unit reference number:** R/506/3686

**Level:** 5

**Credit value:** 4

**Guided learning hours:** 24

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## **Unit aim**

The aim of this unit is for learners to study the role of customer relationship management in achieving organisation goals and methods used to manage improvement.

## **Unit summary**

Businesses need to establish positive relationships with their customers. Managing customer relationships involves finding the customers and keeping them by engaging with them in ways that both provide customer satisfaction and ensure profitable and continuing business opportunities.

In this unit you will learn about the importance of customer relationship management. All businesses spend money, time and energy finding customers so it is important to get value from and offer value to customers by ensuring the relationship is enduring and profitable. All customers can be 'kept warm' and encouraged to become more active through the promotion of additional products and services, by providing information and offering inducements to buy. Important customers might be given preferential trading terms and become lead customers to persuade other businesses to follow suit.

Consideration will be given to how technology has provided the means to improve the management of customer relationships by enabling the profiling and monitoring of individual customers. Tailoring the relationships will strengthen them and make them more effective as customers provide repeat business and buy ancillary services. Managing customer relationships also means that unprofitable customers are dropped. Having effective management of customer relationships and satisfied customers, directly contributes to the achievement of an organisation's strategic objectives.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the importance of customer relationship management in an organisation	<ul style="list-style-type: none"><li>1.1 Evaluate the role of customer relationship management in sourcing and retaining customers</li><li>1.2 Analyse internal and external factors that impact upon an organisation's ability to find new customers and retain existing customers</li><li>1.3 Discuss the relationship between effective customer relationship management and having a competitive advantage</li><li>1.4 Evaluate the role of customer relationships as a source of innovation and growth</li></ul>
2 Understand methods to improve the management of customer relationships in an organisation	<ul style="list-style-type: none"><li>2.1 Evaluate methods used to measure the effectiveness of the customer relationship management system</li><li>2.2 Discuss ways in which the management and the monitoring of customer relationships could be improved</li><li>2.3 Evaluate methods used to monitor improvement to the management of customer relationships</li><li>2.4 Evaluate the extent to which the management of customer relationships leads to the achievement of an organisation's strategic objectives</li></ul>



## Unit content

### 1 Understand the importance of customer relationship management

*Purpose of customer relationship management:* finding customers; retaining customers, winning back customers; building loyalty; adding value, e.g. additional sales, after-sales services, customer support; targeted marketing; tailoring information; individualised relationships; customising products and services; rewarding customers; contributing to the achievement of business objectives

*Factors affecting customer relationship management:* internal, e.g. customer focus, marketing orientation, resources, staffing, information requirements, costs; external, e.g. technological change, customer tastes and preferences; buyer decision making; customer volatility; competitor activities; legal and regulatory requirements, e.g. Consumer Protection (Distance Selling) Regulations 2000, Consumer Credit Acts 1974 and 2006

*Competitive advantage:* reduced costs (acquiring customers, retaining customers, customer loyalty); increased revenues (repeat sales, aftermarket sales, cross-selling); increased sales volumes; improved profitability; increased market share; integration of functions (sales, marketing, customer service, technical support, finance); use of technology (tracking, profiling, history); communications techniques (social media, mobile computing, telephony); reputation; dynamic pricing

### 2 Understand methods to improve the management of customer relationships in an organisation

*Measurement and monitoring:* data types (qualitative, quantitative); data collection (manual, computer-based, automatic); customer analytics; data mining; customer profiling; market analysis; segmentation analysis; predictive analysis; review management of customer relationships; evaluation of management of customer relationships; potential improvements to management of customer relationships

*Improving customer relationship management:* strategic priority; allocate resources; implement software solutions (data collection, analytics); modify business processes; customer support, e.g. help desk, responses to frequently asked questions (FAQ), 24/7 service, online advice; customer communication; obtaining feedback; responsiveness to feedback

*Meeting objectives:* customer engagement; meeting customer needs; adding value; growth (sales, revenues, market share, profits); cost management; improve processes (marketing, sales, logistics, customer support, finance); achievement against key performance indicators

## Essential guidance for tutors

### Delivery

The learning outcomes in this unit can be delivered flexibly. Tutors have the opportunity to use a wide a range of teaching and learning strategies, including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources.

Tutors can illustrate points with reference to examples of businesses that demonstrate best practice. 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 customer relationship management.

For learning outcome 1, the tutor could introduce the topic of customer relationship management through a presentation and discussion, focusing on sourcing and retaining customers, and evaluating the role of customer relationships as a source for innovation and growth. Learners could then follow this up with academic research.

For learning outcome 2, the learner could introduce the methods, concepts and theories on improving customer relationship management, and using a case study learners could work in groups to research and evaluate customer relationship management systems, how monitoring could be improved and the extent to which management of customer relationships could achieve organisations strategic objectives.

### Assessment

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For AC 1.1 and 1.2, following academic research, the learner could produce a report evaluating the role of customer relationship management, and an analysis of factors that could impact upon an organisation, when sourcing and retaining customers. For AC 1.3 and 1.4, the learner could produce a report and present this to the whole class on the relationship between customer relationship management and gaining a competitive advantage and as a source of innovation and growth.

For AC 2.1, using an appropriate case study, the learner could produce a report evaluating the methods used to measure customer relationship management systems. For AC 2.2, 2.3 and 2.4, the learner could continue using the case study as the basis to discuss how the organisation could manage the monitoring of customer relationship, evaluate the methods used to monitor improvement and relate this to how effectively the organisations strategic objectives were achieved, and present their work to the whole class.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## **Resources**

### **Books**

Buttle F and Makin S – *Customer Relationship Management* (2nd edition), (Routledge, 2008) ISBN 9781856175227  
(also available as a Kindle edition, ASIN: B003L783WQ)

Rastogi E – *Customer Relationship Management: Text and Cases* (Excel Books, 2011) ISBN 97881405887328  
(also available as a Kindle edition, ASIN: B00BI22IN6)

### **Journals**

*Journal of Marketing Management* – Westburn Publishers Ltd, has articles on customer relationship management

*Marketing Week* – Centaur Communications Ltd, has current news about marketing-related topics

### **Websites**

[www.businessballs.com](http://www.businessballs.com) – provides information on customer relationship management

[www.managementhelp.org](http://www.managementhelp.org) – Free Management Library, information on marketing and customer service subjects

[www.open.edu/](http://www.open.edu/) – The Open University, information on marketing communications and customer relationships

### **Podcasts**

*The Bottom Line* Podcasts and Downloads chaired by Evan Davies or Stephanie Flanders. The podcasts bring together practitioners to discuss current business matters. Many podcasts touch on topics relevant to the unit, for example the podcasts on Digital Marketplaces, Big Data and Marketing and Mess consider aspects of marketing and customer relationships.

The podcasts can be searched and downloaded from:  
[www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all)

### **Broadcasts**

In conjunction with the Open University the BBC series *Business Boomers* looks at a number of current business developments, including a consideration of marketing



# Unit 9: Business Risk Management

**Unit reference number:** D/506/3691

**Level:** 5

**Credit value:** 5

**Guided learning hours:** 30

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## Unit aim

The aim of this unit is for learners to study risk factors that organisations face and their potential impact. The unit will examine risk management and risk interdependencies along with the role of customer relationship management in achieving organisation goals and methods used to manage improvement.

## Unit introduction

Business activities carry with them associated risks and uncertainties that pose threats. Risks can arise internally from routine operations such as extending credit to customers with a poor credit history. They can also arise externally from developments in the business environment such as a change in consumer tastes when there is a move from fixed-line telephones to mobile telephones. As risks threaten existing business activity, risk management techniques are developed and applied to anticipate and control them in order to ensure operational continuity.

In this unit you will learn about the nature of business risk and the factors that affect it. Risks can be identified, measured and quantified and doing so provides businesses with a guide to action. Some risks are low level and can be easily managed by building routine risk control processes into day-to-day activities. For instance, food production requires the adoption of good hygiene practices. Other risks are less routine and uncontrollable. An oil spill from a production platform can have wide-ranging unpredictable consequences. Consideration will be given to how businesses build in resilience to their systems to predict and control risk, and to ensure continuity of operations. Energy-generating companies have surplus capacity and can switch between power-generation plants in response to fluctuations in demand so that their operations are not compromised. Minimising and managing risk allows business continuity, thereby enabling businesses to achieve their objectives.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

### On completion of this unit a learner should:

Learning outcomes	Assessment criteria
1 Understand business risk concepts	<ul style="list-style-type: none"><li>1.1 Examine the internal and external risk factors that an organisation faces</li><li>1.2 Assess the potential impact of the risk factors that an organisation faces</li><li>1.3 Discuss risk management models</li><li>1.4 Explain the laws and legislation relating to risk management</li></ul>
2 Understand how to identify risk and risk probability	<ul style="list-style-type: none"><li>2.1 Discuss risk and risk interdependencies</li><li>2.2 Examine criteria against which risk management can be assessed</li><li>2.3 Evaluate the effectiveness of methods used for calculating risk probability</li></ul>
3 Understand business resilience and the management of risk	<ul style="list-style-type: none"><li>3.1 Explore the relationship between risk management, disaster recovery and business continuity</li><li>3.2 Evaluate a range of scenario planning and crisis management models</li><li>3.3 Analyse the benefit of risk governance structures and ownership</li><li>3.4 Evaluate techniques used to minimise business risk</li><li>3.5 Examine ways in which risk management techniques can be built into routine business processes</li></ul>

## Unit content

### 1 Understand business risk concepts

*Risk factors:* internal, e.g. capital sufficiency, process breakdown, robustness of systems; external, e.g. natural disaster, competitor activities, customer preferences; reputational perception; categories of risk, e.g. operational, financial, hazard, strategic; consequences, e.g. financial loss, output halted, reputational damage, business cessation

*Risk management:* identifying risks; quantifying risks; potential impacts of risks; risk rating; risk control; monitoring the risk environment; business risk management models, e.g. risk maturity model, Committee of Sponsoring Organizations of the Treadway Commission (COSO), International Risk Governance Council (IRGC) Risk Governance Framework

*Legal and regulatory framework:* general legislation, e.g. Health and Safety at Work Act 1974; Companies Act 2006; industry specific regulation, e.g. for banking the Banking Act 2009, for aviation the Civil Aviation Act 2012; business risk management standards, e.g. ISO 31000:2009 – Principles and Guidelines on Implementation, ISO/IEC 31010:2009 – Risk Management: Risk Assessment Techniques

### 2 Understand how to identify risk and risk probability

*Risk identification:* risk assessment; risk interdependencies, e.g. loss of output, customer dissatisfaction, bad-will generation, reputational damage; impact of risk occurring

*Risk management criteria:* criteria, e.g. mandate, organisational structure, resources, methodologies, reporting lines, oversight (directorial, managerial)

*Calculating risk probability:* statistical measures of probability; establishing probability of a risk occurring; cost of a risk = (probability of a risk event happening) x (expected cost/loss when the risk event happens); using risk probabilities to manage risk

### 3 Understand business resilience and the management of risk

*Business resilience:* risk management; business continuity, e.g. identifying business critical activities, maintaining business critical activities when risk occurs, recovering business critical activities, integrating business continuity plan with risk management plan; disaster recovery

*Scenario planning:* isolating risk factors for analysis; scenario assumptions; creating scenarios; simulations; risk mapping; alternative futures; scenario outcomes; implications, e.g. strategy, operations, resource requirements, costs, management

*Crisis management:* diagnosis; containment; business recovery; implementation of change; management responses, e.g. Perrier Water benzene contamination, BP Deepwater Horizon oil spill

*Risk governance:* risk management strategy; risk management policies; risk management structures; purposes, e.g. risk management, avoiding risks, mitigating impact of risk



## Essential guidance for tutors

### Delivery

The learning outcomes can be delivered flexibly. Tutors can deliver the theoretical material in respect of innovation and change management using a wide range of teaching and learning strategies. These include 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 best practice in respect of change and innovation. 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 change and innovation.

For learning outcome 1, the tutor could introduce the topic with a presentation on risk management models and legislation. Case studies could be used to identify risk factors and assessing their potential impact to an organisation.

For learning outcome 2, using a case study or a work sheet, learners could work in groups to discuss risk management criteria and risk interdependencies and evaluate methods for calculating risk probability.

For learning outcome 3, learners could research disaster recovery and continuity strategies and explore their relationship with risk management. Using a case study, learners could work in groups to evaluate suitable scenario planning and crisis management models. The tutor could engage a classroom discussion on governance and ownership, techniques to minimise business risk and how to build risk management techniques into routine business processes.

### Assessment

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

AC 1.1, 1.2, 1.3 and 1.4 could be assessed using an integrated assignment based on a case study. The assignment could be in the form of a report requiring learners to explore the concept of business risk and how it relates to the case study. The need to identify the impact of risk and to build in business resilience could then be examined.

For AC 2.1, 2.2 and 2.3, a case study could be used to allow the learner to examine risk and risk interdependencies, along with criteria against which risk management can be assessed and evaluate methods that calculate risk probability.

For AC 3.1, the learner could research academic and business websites on disaster recovery, business continuity and present a report on their relationship. For AC 3.2, 3.4 and 3.5 a range of scenario planning, crisis management and techniques used to minimise risk could be evaluated and presented in written format. AC 3.3 could be a presentation on the benefit of risk governance structures and ownership.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## Resources

### Books

Crouhy M, Galai D, and Mark R – *The Essentials of Risk Management: The Definitive Guide for the Non-risk Professional* (McGraw-Hill Professional, 2006)

ISBN 978-0071429665

Hopkin P – *Fundamentals of Risk Management: Understanding, Evaluating and Implementing Effective Risk Management* (2nd edition), (Kogan Page, 2012)

ISBN 978-0749465391

### Journals

*Risk Management* – has articles on risk management

### Websites

[www.gov.uk](http://www.gov.uk) – HM Government portal, a business continuity toolkit

[www.managementhelp.org](http://www.managementhelp.org) – The Free Management Library, information on risk management topics

[www.irgc.org](http://www.irgc.org) – The International Risk Governance Council, a risk governance framework

### Podcasts

*The Bottom Line* podcasts and downloads chaired by Evan Davies or Stephanie Flanders. The podcasts bring together practitioners to discuss current business matters, for example the podcast on Futurology for Business considers aspects of risk.

Podcasts can be searched and downloaded from:

[www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all)



# **Unit 10: Staff Recruitment and Selection**

**Unit reference number:** R/506/3865

**Level:** 5

**Credit value:** 5

**Guided learning hours:** 29

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## **Unit aim**

The aim of this unit is for learners to study the impact of legislation on the recruitment and selection process and understand how to effectively conduct the selection process.

## **Unit introduction**

Staff recruitment and selection is an essential but costly procedure for any organisation. Recruiting and appointing personnel 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 people appointed will make a positive contribution to the organisation meeting their objectives.

In this unit you will learn how employment legislation will impact on the recruitment and selection process and how they are incorporated into an organisation's policies and procedures. Recruiting and selecting staff can be an expensive process and before it is implemented an organisation must review their current and future objectives. As a manager, you will have knowledge of the current and future objectives of the organisation and this will help in clarifying the need to recruit additional staff. Investigating where there is a need to recruit new staff will be beneficial in producing effective job descriptions and person specifications. Implementing an effective selection process will ensure that only an employee with the required skills, knowledge and expertise are selected for the job role.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the impact of legislation on the recruitment and selection process	1.1 Examine how current employment legislation impacts upon staff recruitment and selection 1.2 Assess how current employment legislation can be incorporated into organisational policies for staff recruitment and selection
2 Understand how to recruit personnel to meet an identified gap in staff resources	2.1 Analyse staffing resources to meet business needs 2.2 Evaluate the components of a business case for additional staffing resources 2.3 Evaluate the components of a job description and person specification
3 Understand how to conduct a selection process	3.1 Evaluate the effectiveness of the stages for a selection process 3.2 Evaluate methods implemented to support a selection decision

## Unit content

### 1 Understand the impact of legislation on the recruitment and selection process

*Legislation impact on staff recruitment and selection:* current employment legislation: Equality Act 2010 (combination of the Equal Pay Act 1970, Race Relations Act 1976, Sex Discrimination Act 1975, Disability Discrimination Act 1995); impact on recruiting and selection, e.g. discrimination; pay; equality; contracts; data protection

*Incorporating current employment legislation into organisational policies:* recruitment and selection procedures (equality and diversity, disability); recruitment and selection policies (discipline and grievances, dismissal and redundancy, maternity/paternity, health and safety)

### 2 Understand how to recruit personnel to meet an identified gap in staff resources

*Staff resources to meet current and future objectives:* current staffing requirement: skills and knowledge required to achieve objectives, current staffing requirements and staffing levels; future staffing requirements: job analysis, e.g. skills, expertise and knowledge required, gaps in current staffing skills, expertise and knowledge

*Components of a business case for additional staffing resources:* staff planning: reason to increase staffing levels, internal and external factors, e.g. increase in demand for products, diversifying product range, new or changing market environment, developments in technology, change to skills required, employee turnover, relocation

*Components of a job description and person specification:* job analysis to identify the skills that must be included in the job description and person specification; job description to state the purpose, format, key components (job title, role and responsibilities, line management); person specification to state the purpose, format and key components (essential and desirable attributes, skills and knowledge, qualifications, experience)

### 3 Understand how to conduct a selection process

*The selection process:* stages of the selection process (advertising position, reviewing applications, short listing, interview process, hiring, reference checks); evaluation of process to include costs involved, e.g. recruitment and selection process; training, resources utilised, effectiveness of process, e.g. effectiveness of job specification; suitability of selected staff; validity of process; limitations; propose justified improvements, e.g. areas for improvement; job analysis; cost effectiveness; selection techniques

*Methods to support effective selection decision:* selection of suitable/unsuitable personnel, rigour of selection methods, validity of processes, retention, development of staff

## Essential guidance for tutors

### Delivery

The learning outcomes in this unit can be delivered flexibly. Tutors have the opportunity to use a wide a range of teaching and learning strategies, including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources.

Tutors can illustrate points with reference to examples of businesses that demonstrate best practice in respect of recruitment and selection. Many learners will use self-directed study together with the expertise and skills they may have developed in their career and be able to reflect on their experience of recruitment and selection.

To introduce the unit and learning outcome 1, it could be useful to have a group discussion on the relationship between, and need for, legislation in recruitment and selection, and its impact on recruitment. The tutor could share examples or templates of typical recruitment and selection policies with learners working in small groups to design their own policies which they can then present to the whole class. Tutor input on effective policies for recruitment and selection can lead to learner discussions.

For learning outcome 2, learners could discuss the difference between identifying a business need against a department need, for recruiting staff. Learners could work in groups or pairs to devise a job description and person specification to present to the whole class and provide a rationale for the components incorporated.

In learning outcome 3, learners could debate over the stages of a selection process and its effectiveness in selecting the right candidate.

### Assessment guidance

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For AC 1.1 and 1.2, the use of a case study or a problem scenario, could allow learners to analyse how well legislation has been incorporated into an organisations policy and if there are any possible repercussions to the organisation as a result of the policy and meeting employment legislation requirements.

For AC 2.3, learners could design a job description or a person specification and present their design to the whole class, providing a rationale for the components incorporated and explaining their strengths and weaknesses. For AC 2.1 and 2.2, learners could then write a report on the key features off and the reasons for undertaking a job analysis, this would incorporate making a business case to support the need for additional staff.



For AC 3.1, learners could produce a written piece of work on the stages of a selection process, analysing benefits and limitations of each stage. For AC3.2, a work-based problem or scenario question using a job description, person specification and a selection of candidate profiles could be used to report on the method chosen to support the selection decision.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## Resources

### Books

Newell Brown J and Swain A – *The Professional Recruiter's Handbook: Delivering Excellence in Recruitment Practice* (Kogan Page, 2009) ISBN: 9780749453961

Yeung R – *Successful Interviewing and Recruitment* (Kogan Page, 2008)  
ISBN: 9780749451646

### Journals

*Management Today* – Haymarket Business Media

*People Management* – Chartered Institute of Personnel and Development

*Professional Manager* – bi-monthly publication published by the Chartered Management Institute

### Websites

[www.bized.co.uk](http://www.bized.co.uk) – learning materials and case studies on human resources matters

[www.cipd.co.uk](http://www.cipd.co.uk) – information on current legislation and recruitment and selection

[www.gov.uk](http://www.gov.uk) – information on current legislation and the impact for employers

# **Unit 11: Business Process Management**

**Unit reference number:** L/506/3878

**Level:** 5

**Credit value:** 6

**Guided learning hours:** 35

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## **Unit aim**

The aim of this unit is for learners to examine the principles and models of sustainable process management and discuss the need for continuous review and management of business processes.

## **Unit summary**

Business processes are designed and implemented in order to ensure that business activities are efficiently organised and function by using an agreed, codified set of processes and practices that allow work to be done in a systematic way.

In this unit you will learn about the techniques used to design business processes in areas such as manufacturing, distribution and administration. Processes are complex and inter-related so it is important to find optimal solutions. How much vehicle assembly should be automated and how much should be done manually? The answer will differ between a mass producer and a specialist sports-car maker. Processes need to be sustainable so that resources are used effectively and the business will continue to operate successfully into the future. Business processes need to be continuously managed. For example, supermarkets have added 'click and collect' services to their regular operations. 'No-frills' airlines offer allocated seating to attract business travellers. In both cases it is to maintain competitive advantage. All processes need to be assessed and evaluated to ensure that they function productively, align with other processes and contribute to the achievement of business objectives.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the techniques used to design a business process	<ul style="list-style-type: none"><li>1.1 Examine the principles and models of process management</li><li>1.2 Evaluate processes used to deliver organisational objectives that meet legal and industry regulations</li><li>1.3 Discuss how to apply analytical and problem-solving tools</li></ul>
2 Understand how to design a sustainable business process	<ul style="list-style-type: none"><li>2.1 Discuss how to identify processes that deliver organisational objectives, goals and outcomes</li><li>2.2 Evaluate ways in which sustainability can be integrated within the business process</li><li>2.3 Evaluate the criteria for designing a sustainable business process</li><li>2.4 Discuss types of resource that can be used to ensure that objectives are met</li><li>2.5 Explain how to establish the stakeholders and stakeholder responsibilities</li></ul>
3 Understand the need for the continuous management of business processes	<ul style="list-style-type: none"><li>3.1 Explain the importance of managing, monitoring and reviewing the business processes</li><li>3.2 Evaluate the systems and documentation implemented to monitor and review business processes</li><li>3.3 Discuss how to identify when corrective action is necessary to maintain effective business processes</li><li>3.4 Analyse the cost and benefit of implementing effective business processes</li></ul>

## Unit content

### 1 Understand the techniques used to design a business process

*Process management:* process identification; process specification; process documentation; process governance and management; process operation; process review; process modification; contribution of processes to business objectives; legal and regulatory compliance (external, e.g. relevant national and international law, internal, e.g. governance rules, business practice standards, safety, security)

*Models and tools:* conceptual models, e.g. business reference model, workflow reference model, object transformation process model; purposes, e.g. function definition, application interfaces, client interfaces, operation, control; problem solving tools, e.g. brainstorming, cause-effect diagrams, fishbone diagrams, force field analysis; purposes, e.g. problem identification, analysis, identification of potential solutions, resource requirements

### 2 Understand how to design a sustainable business process

*Business process design:* business process re-engineering (BPR); BPR cycle (process identification, analysis, design, testing, implementation); systematic design of business processes and workflows; alignment of processes to business objectives; application of information technology, e.g. e-commerce, CAD/CAM, additive manufacturing

*Sustainability:* business continuity; business efficiency; sustainability criteria, e.g. financial, economic, social, environmental; key performance indicators, e.g. triple bottom line, wastage rates, level of carbon emissions; impact assessment for sustainability practices; techniques for integrating sustainability (governance, policies, procedures, practices); resource requirements, e.g. capital, physical resources, human resources, intellectual capital

*Stakeholders:* internal, e.g. managers, employees; external, e.g. owners, lenders, government agencies, competitors; stakeholders' interests, e.g. claims, power, influence, priority; stakeholders' responsibilities and obligations, e.g. to their own interests, to business, to society to the environment; techniques for establishing stakeholder interests, e.g. surveys, focus groups, horizon scanning

### 3 Understand the need for the continuous management of business processes

*Managing business processes:* design; implementation; operation; monitoring; review; evaluation; corrective action; process redevelopment; managerial influences (response to changes in the environment (internal, external)); importance including business improvement, e.g. profitability, productivity, efficiency, cost control; maintaining competitive advantage

*Documentation:* design specifications; operating procedures and guides; recording data on system operation; reviews; evaluations; performance assessments; reporting

*Impact measurement:* productivity; profitability; efficiency; social impact; cost benefit analysis

## **Guidance**

### **Delivery**

The learning outcomes for this unit can be delivered flexibly. Tutors have the opportunity to use a wide a range of teaching and learning strategies, including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources.

Tutors can illustrate points with reference to examples of businesses that demonstrate best practice. 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 process management.

For learning outcome 1, the tutor could introduce the topic with a presentation on the principles and models of process management, and lead into a group activity where learners using problem scenarios, evaluate the process used and discuss their results with the class.

For learning outcome 2, the tutor could present the key topic areas followed by learners working in groups and reviewing resources and evaluating case studies regarding sustainable business processes.

For learning outcome 3, the tutor could arrange for a guest speaker to discuss the importance of managing and evaluating business processes and the benefit of carrying out a cost benefit analysis. Learners could apply the information to problem scenarios.

### **Assessment guidance**

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For AC 1.1, 1.2 and 1.3, using a work-based problem or case study, learners could produce a report that examines process management models and principles, evaluates the systems referred to on the task and discuss how they would apply analytical- and problem-solving tools.

For AC 2.1, 2.2, 2.3, 2.4 and 2.5, learners could carry out academic research and present their research in the form of a report to the whole class, which will discuss how processes can be identified that deliver organisational objectives and goals, evaluate ways in which sustainability is integrated into business processes and establishing stakeholders and responsibility.

For AC 3.1 and 3.3, learners could make a presentation to the whole class on the importance of managing, monitoring, reviewing and taking corrective action for effective business processes. For AC3.2 and 3.4, using a problem scenario, learners could evaluate the systems and documentation for a business process and analyse the cost benefit of maintaining or implementing new business processes.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## Resources

### Books

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

Davenport T – *Process Innovation: Reengineering Work Through Information Technology* (Harvard Business School Press, 1992) ISBN: 9780875843667

### Websites

[www.managementhelp.org/organizationalchange/index.htm](http://www.managementhelp.org/organizationalchange/index.htm) – The Free Management Library, information on organisational change subjects

[www.managers.org.uk/](http://www.managers.org.uk/) – Chartered Institute of Management, practical advice on management issues with a range of online resources on change management topics. Membership is required to access the materials

### Podcasts

*The Bottom Line* podcasts and downloads chaired by Evan Davies or Stephanie Flanders. The podcasts, from the BBC and the Open University, bring together practitioners to discuss current business matters. Many podcasts touch on topics relevant to the unit, for example the podcast on Materials considers aspects of process change in response to cost changes.

They can be searched through and downloaded from [www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all)

### Journals

*The Economist* – The Economist Newspaper Ltd has a business section and produces specialist reports such as 'Building Process Excellence, Lessons from the Leaders'

*Management Today* – published by Haymarket Media Group Ltd, has articles on management topics, including change management



# **Unit 12:**

## **Corporate Social Responsibility and Sustainability**

**Unit reference number:** J/506/3877

**Level:** 5

**Credit value:** 6

**Guided learning hours:** 36

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### **Unit aim**

The aim of this unit is to give learners an understanding of corporate social responsibility and sustainability and the impact on organisations. The unit also provides an introduction to the concept of business ethics and the conduct of the organisation.

### **Unit introduction**

Corporate social responsibility and sustainability issues are a growing concern for several organisations. Many organisations are aware and concerned about the impact their activities have on the environment and also the impact of their operation on their reputation and image.

Many customers do not evaluate an organisation on just the features of their products and services, but also on what business practices they are engaged in, how their products are produced, and the effect on society of the organisation's activities. Consequently, issues such as animal testing, environmental damage, irresponsible marketing and fair working conditions have become highly important for organisations to consider. Stakeholders and especially customer demands have played a central role in getting organisations to consider the impact their operations have on society and the environment. Over the past decade, organisations have been implementing sustainability programmes to manage their environmental impacts, reduce resource use and improve their social responsibility.

Media coverage has made consumers and other stakeholders more aware of the ethical behaviour of organisations. The increase in consumer awareness has resulted in many organisations promoting their social values to gain competitive advantage.

Corporate social responsibility and sustainability are no longer viewed as just a regulatory requirement that satisfies stakeholders' interest but also as an investment that could bring financial returns. However, there are mixed views and theories on whether corporate social responsibility and sustainability adds to or takes away from an organisations profits and value. There are also mixed views on whether it is possible to measure the impact of corporate social responsibility and sustainability on non-financial activities.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the characteristics of corporate social responsibility and sustainability	<ul style="list-style-type: none"><li>1.1 Discuss types of corporate social responsibility and sustainability activity</li><li>1.2 Analyse the range of stakeholders who have an interest in corporate responsibility and sustainability</li><li>1.3 Evaluate the impact of legal and regulatory requirements on a business, in respect of corporate social responsibility and sustainability</li><li>1.4 Examine ways in which corporate social responsibility and sustainability is managed</li></ul>
2 Understand the impact of corporate social responsibility and sustainability strategy on business performance	<ul style="list-style-type: none"><li>2.1 Evaluate the impact of stakeholders' interests on corporate social responsibility and sustainability</li><li>2.2 Evaluate ways in which corporate social responsibility and sustainability requirements can be incorporated into the development of new products and services</li><li>2.3 Discuss how corporate social responsibility and sustainability requirements can affect business performance</li></ul>
3 Understand the strategic requirement for corporate social responsibility and sustainability	<ul style="list-style-type: none"><li>3.1 Explore the need for businesses to develop a corporate social responsibility and sustainability strategy</li><li>3.2 Evaluate the social impacts business activities have on society</li><li>3.3 Evaluate the environmental impacts business activities have on society</li></ul>

Learning outcomes	Assessment criteria
<p>4 Understand ethical approaches to leadership and management</p>	<p>4.1 Analyse the approaches businesses adopt at a strategic level when managing ethical issues</p> <p>4.2 Evaluate the impact of an ethical approach to leadership and management on a business</p> <p>4.3 Evaluate the impact of corporate social responsibility and sustainability on leadership and management</p>

## Unit content

### 1 Understand the characteristics of corporate social responsibility and sustainability

*Sustainability:* definition; types, e.g. social, ecological, economic, political; managing waste and recycling; using sustainable resources; reducing carbon footprint; improving work activities and production processes; reducing pollution; climate change; monitoring impact of activities; identifying improvements

*Corporate social responsibility:* definition, e.g. how organisations integrate social and environmental concerns into business operations; corporate governance; stakeholder and community engagement; human rights; green initiatives; importance of ethical codes of practice, e.g. in sales and marketing, intellectual property; role and responsibility of managers, e.g. energy awareness training, publishing initiatives, targets and results

*Stakeholders:* primary stakeholders; secondary stakeholders; key stakeholders; owners, e.g. proprietors, partners, shareholders; government (international, national, regional, local); employees; internal and external customers; suppliers; community organisations; pressure groups, e.g. Friends of the Earth, Consumers' Association; trades unions; investors, e.g. banks, venture capital providers, debenture holders; importance of stakeholders; roles; responsibilities; interests; concerns; influence of stakeholders on organisations

*Environmental legislation:* EU legislation; UK legislation; environmental protection (air, environmental permitting, land, waste, water, chemicals); noise and nuisance; climate change; energy conservation (the most up-to-date legislation covering these issues must be used); *Environmental standards:* ISO14001; Eco-Management Audit System (EMAS), Energy Efficiency Scheme; integration of standards with wider management systems

*Management:* focus of mission statements; objectives linked to sustainability and social responsibility; implementing sustainability policies and procedures; embedding sustainability across all organisational functions; measuring progress towards sustainability goals; presenting information and progress to stakeholders; defining responsibility and accountable

## 2 **Understand the impact of corporate social responsibility and sustainability strategy on business performance**

*Impact of shareholders interest:* primary stakeholders will be interested in the organisation performance, their work activities, conduct and reputation; secondary stakeholders can indirectly affect the organisation by preventing the organisation from succeeding or by supporting the organisation's efforts; corporate actions made only be in the interests of some stakeholders; pressure from different stakeholders which forces organisation to take action; corporate social responsibility and sustainability strategy are positively accepted when they are in the interests of stakeholders; there may be a conflicts of interest between stakeholder groups, e.g. shareholders versus environmentalists

*Development of new products/service:* integrate sustainability into all aspects of the product development cycle; production, e.g. reduction in the energy and water used, raw materials, reduce waste products, less packaging, marketing activities; purchasing, e.g. rating for equipment, suppliers, with similar sustainability and social responsibility policies, repair and reuse equipment

*Business performance:* sustainability can be driver for innovation, growth; impact on financial performance, e.g. shareholder value, revenue, market share; impact on non-financial performance such as saving energy, reducing waste; employee and customer satisfaction; companies not involved in corporate social responsibility and sustainability activities may be unattractive to customers, employees, suppliers and other stakeholders; the cost of allocating resources to incorporate and report on corporate social responsibility and sustainability activities; costs incurred for promoting and providing information to stakeholders; customer perceptions will impact on sale, revenue, profits; competitive advantages of being seen as a corporate social responsibility organisation; the approaches to measure the impact on performance

### 3 **Understand the strategic requirement for corporate social responsibility and sustainability**

*Strategy:* strategy will show the commitment made to corporate social responsibility and sustainability; summaries the actions to be taken towards operating in a socially responsible manner; identifies whether operations are ethical; identifies, positive behaviour towards the community and environment; positive impact of corporate social responsibility and sustainability, e.g. performance, image, may attract more investors, fall in overheads, stakeholders perception; improved image will attract more customers and sales which impact on profits; critics of corporate social responsibility and sustainability; customers will react more to negative corporate social responsibility efforts; if marketing is seen as false the organisation may lose loyalty, trust; the ability to measure the impact of non-financial activities

*Social impact on society:* business decisions influence employees, customers, suppliers and competitors; operations that affect communities, destroy lives, destroy a way of life; implementation of social goals; labour practices, e.g. child labour; impact on human rights and labour relations; fair wages and working conditions; equality and diversity policies and procedures; negative impact on society, e.g. accounting fraud, breaking regulatory or legal constraints, false advertising, discriminating activities

*Environmental impact on society:* pollution; climate change; responsible managing of waste and recycling; biodiversity; using sustainable resources; reducing carbon footprint; improving work activities and production processes; methods of reducing impact on the environment and the use of natural resources

*Impact of issues:* legal compliance and statutory duties; loss of reputation, poor publicity; types of damage; methods for minimising impact of damage; corrective actions; monitoring impact of activities; identifying improvements

#### 4 Understand ethical approaches to leadership and management

*Ethical issues:* corporate governance; corporate social responsibility; sustainability; human rights and discrimination; corruption; trading fairly; legal and regulatory compliance; business practices; production, e.g. animal testing, genetically modified foodstuffs, planned obsolescence; sales and marketing, e.g. spamming, product placement, green washing; finance, e.g. bribery, executive pay, insider trading, lobbying

*Business approaches:* adapting business behaviour; implementing codes of ethics; responding to ethical pressures; implementing ethical practices; influence of stakeholders and pressure groups; ethics embedded in business models, organisational strategy and decision making processes; utilising staff with appropriate skills to scrutinise performance and strategies; appropriateness of the adopted approach

*Impact of ethical approach on a business:* benefits from demonstrating high ethical standards; reputation, ethical policies can add value to brands and corporate reputation; public image; ethical trade; value added; impact on competitiveness; complying with relevant legislation and codes of practice, e.g. UK law, EU law; UN Declaration on Human Rights

*Impact of corporate social responsibility and sustainability on leadership and management:* senior managers and leaders must demonstrate total support for corporate social responsibility and sustainability processes; commitment to corporate social responsibility and sustainability; corporate social responsibility and sustainability incorporated and defined in mission statement and objectives; need to produce and implement new policies and procedures; analysing operations to ensure they satisfy social responsibility and sustainability policies; implementing staff training and awareness; implementing procedures which measure the impact of corporate social responsibility and sustainability processes

## Essential guidance for tutors

### Delivery

The learning outcomes for this unit can be delivered flexibly. Tutors have the opportunity to use a wide a range of teaching and learning strategies, including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources.

Tutors can illustrate points with reference to examples of businesses that demonstrate best practice in respect of corporate social responsibility and sustainability. 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 corporate social responsibility and sustainability.

Learners may have some knowledge and experience of managing corporate social responsibility and sustainability activities and they should be encouraged to share their experiences with their peers. Other learners may be familiar with corporate social responsibility and sustainability activities through various forms of media which they can discuss with their peers. Current media articles or case studies on corporate social responsibility and sustainability activities could also be used to support learners in understanding how corporate social responsibility and sustainability activities can impact on corporate reputation and image.

To introduce the unit and for learning outcome 1, learners could analyse a case study and research organisations websites for corporate social responsibility activities, and present their findings to the whole class, which could then open up into a class discussion or debate on what corporate social responsibility means. The tutor could provide an overview of regulation and legislation that impact upon a business. For learning outcome 2, the tutor could introduce a range of stakeholders and learners could work in groups and analyse stakeholder interest their impact on a business's corporate social responsibility and into new product design.

For learning outcome 3, learners could research and evaluate a range of organisations corporate social responsibility strategies against the impact upon society and its environment. Learners could work in groups and discuss the advantages and disadvantages of implementing a strategy for corporate social responsibility and sustainability. For learning outcome 4, the tutor could introduce the topic of managing ethical issues and the impact of corporate social responsibility and sustainability on leadership and management, this could lead into group discussion and then taken further into a whole-class discussion.



## Assessment

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For AC 1.1 and 1.3, learners could analyse a case study and research organisations websites for corporate social responsibility activities, and present their findings to the whole class, which could then open up into a class discussion or debate on what corporate social responsibility means. For AC 1.4, the tutor could provide an overview of the regulation and legislation that impact on a business. This could be followed up with the learner producing a report based on a case study, where they explain the main legal and regulatory requirements that relate to the scenario and how they would manage sustainability.

For AC 2.1, learners could work in groups and identify a range of stakeholders and analyse their different interests and examine the impact that different groups of stakeholders will have on corporate social responsibility and sustainability and present their findings to the whole class, followed by a whole-class discussion. For AC 2.2, learners can present ways in which corporate social responsibility and sustainability requirements can be incorporated into the development of new products or services and, using empirical evidence for AC 2.3, produce a report on how corporate social responsibility affects business performance.

For AC 3.1, using case studies or problem scenarios, learners can produce written work exploring and debating the need for businesses to develop a corporate social responsibility and sustainability strategy, and incorporate AC 3.2 and 3.3 by evaluating the social and environmental impacts that business activities have on society.

For AC 4.1, 4.2 and 4.3, learners can research a range of businesses and their approach to the strategic management of ethical issues and how this can drive the role of ethical leadership and management, the learner could then, using empirical evidence to support their supposition, give a presentation to the whole class and debate the impact of corporate social responsibility and sustainability on leadership and management.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## Resources

### Books

Crane A and Matten D – *Business Ethics* (Oxford University Press, 2003)  
ISBN: 9780199255153

Dresner S – *The Principles of Sustainability* (Routledge, 2008)  
ISBN: 9781844074969

Epstein M – *Making Sustainability Work: Best Practices in Managing and Measuring Corporate Social, Environmental and Economic Impacts*  
(Greenleaf Publishing, 2008) ISBN: 9781906093051

Fisher C and Lovell A – *Business Ethics and Values: Individual, Corporate and International Perspectives* (Financial Times/Prentice Hall, 2008)  
ISBN: 9780273716167

Webley S – *Developing a Code of Business Ethics: A Guide to Best Practice*  
(Institute of Business Ethics, 2003) ISBN: 095395174X

### Journals

*Ethical Consumer* – Ethical Consumer Research Association Publishing Ltd

*Journal of Environmental Management* – Elsevier

### Websites

[www.business-ethics.com](http://www.business-ethics.com) – *Business Ethics*, corporate responsibility; online magazine

[www.environment-agency.gov.uk](http://www.environment-agency.gov.uk) – UK Environment Agency, management toolkits for different sectors

[www.ibe.org.uk](http://www.ibe.org.uk) – Institute of Business Ethics, relevant case studies and information

[www.iema.net/](http://www.iema.net/) – the professional membership body for the Institute of Environmental Management and Assessment

[www.iso.org/iso/iso14000](http://www.iso.org/iso/iso14000) – International Standards Organisation (ISO), publishes environmental standards

# Unit 13: Marketing Management

**Unit reference number:** F/506/3876

**Level:** 5

**Credit value:** 6

**Guided learning hours:** 35

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## Unit aim

The aim of this unit is to give learners the understanding and skills needed to be able to support active engagement in the process of marketing management.

## Unit introduction

Today marketing has a more prominent role in an organisation as organisations move more towards market-orientation. Today, organisations have become more aware of the changing needs of their customers and the increasingly competitive market place. To maintain or improve their market share an organisation will need good marketing knowledge and accurate decision making processes.

To remain competitive an organisation will need to be constantly aware of changes in competition, consumers' needs and market forces. Managers will need to be proactive in making adjusting to marketing plans and adapting operations to achieve marketing objectives and strategies.

An organisation will remain competitive and more efficient if the marketing function is integrated and coordinated with other functional departments. All managers will require some knowledge of marketing principles to gain a deeper understanding of their organisation's links with customers. This enables them to contribute effectively to the achievement of their organisation's marketing plans and to carry out effective internal marketing of their own area of work.

Having an understanding of marketing principles will help managers understand the importance of the marketing mix and market segmentation. To have an effective marketing mix the product must have the correct features, the right price, be in the right place at the right time and have appropriate promotional activities that make the target consumers aware of the products existence and availability. Dividing the market into different customers segments allows organisations to decide on the potential customer segment for their product. The development of effective marketing mix strategies, careful segmentation and targeting of customers are crucial tools in helping organisations to achieve organisational and marketing objectives.

In this unit, learners will gain an understanding of the marketing strategies that can help managers achieve marketing and organisational goals in a competitive marketplace that is focused on satisfying customer needs.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the contribution of marketing to the achievement of organisational objectives	<ul style="list-style-type: none"><li>1.1 Analyse how a marketing orientation by an organisation supports the achievement of its objectives</li><li>1.2 Evaluate the contribution of marketing principles to the achievement of organisational objectives</li><li>1.3 Discuss the reasons for integrating the marketing function with other functional activities</li></ul>
2 Understand how to make marketing mix proposals that exploit marketing opportunities	<ul style="list-style-type: none"><li>2.1 Discuss how to structure a marketing mix for an organisation's products/services</li><li>2.2 Evaluate the role of market segmentation in providing insights about the structure of target markets for an organisation</li><li>2.3 Develop a marketing mix for a selected product/service proposal to meet the needs of a defined segment in a target market</li></ul>
3 Understand how to develop a marketing strategy	<ul style="list-style-type: none"><li>3.1 Discuss how to identify the objectives of marketing strategies</li><li>3.2 Analyse the resources required to develop a marketing strategy</li><li>3.3 Explore how to implement a marketing strategy to ensure that it contributes to the achievement of organisational objectives</li><li>3.4 Discuss the purposes of reviewing marketing strategies</li></ul>

## Unit content

### 1 Understand the contribution of marketing to the achievement of organisational objectives

*Marketing orientation:* a market-orientated company organises its activities, products and services around the wants and needs of its customers; customer focus is the responsibility of the whole organisation; effectiveness of marketing orientations; customer and competitor orientation; how marketing strategies and objectives emanate from the organisational mission statement; advantages, disadvantages of marketing orientation

*Principles:* market analysis, e.g. use of macro-market analysis techniques such as SWOT (strengths, weaknesses, opportunities, threats) and PESTLE (political, economic, social, technological, legal, environmental); consideration of microenvironment factors such as stakeholder pressures and the influence of direct and indirect competitors; buyer behaviour analysis; selecting target markets, e.g. segmenting consumer markets, segmentation of industrial markets; designing marketing strategies, e.g. setting marketing objectives linked to organisational goals; positioning, new product strategies; planning marketing programmes, e.g. marketing campaigns, advertising campaigns, designing sales promotions; organising, implementing and controlling the marketing effort, e.g. customer relationship management (CRM); use of information technology and CRM effort; organising resources; controlling the budget

*Integration of marketing activities:* strategies impact on other departments, e.g. finance, production, operations, sales, human resources, administration, research and development; emphasis on communication and collaboration between functions; research and development, driven by the marketing concept, needs of consumers central to any new research and development; operations such as warehousing, logistic, transport and production working together to ensure that advertised products are available; human resources will recruit staff with relevant marketing skills and expertise

### 2 Understand how to make marketing mix proposals that exploit marketing opportunities

*Marketing mix:* combination of 4Ps, product, price, place, promotion; role of market research; buyer behaviour; the 7Ps, include the 4 original plus people, physical evidence and process

*Product or service:* brand name, identity, image, awareness; life cycle; features, benefits, accessories, packaging, warranty or support; new product development

*Price:* pricing strategies, introduction price; discounting; demand elasticity

*Place:* distribution to customers; supply chain; warehousing; logistics and transportation; getting the products in the right place at the right time

*Promotion:* introduction to the market, advertising and marketing, sales promotions; promotional mix; advertising, above and below the line, public relations, sponsorship, branding, direct marketing, online methods

*Market segmentation:* segments geographic, demographic, behavioural, psychographic; knowledge of target markets needs and expectations; tailor marketing mix to target market

### 3 Understand how to develop a marketing strategy

*Objectives:* difference between marketing objectives and marketing strategies; marketing objectives derived from organisational objectives; marketing objectives linked to organisational goals; defines what needs to be achieved through marketing activities; provide direction for employees; different objectives for different size businesses; reflect current corporate and marketing situation; key market factors; SMART objectives; identify opportunities; potential for key market segments; objectives such as increase product awareness, highlighting product benefits, improve or increase advertising, introduce promotional activities; respond to competition in the market place; the use of the marketing mix; marketing objectives supports organisational corporate social responsibility and ethics policies

*Resource requirements:* finance, e.g. investment to introduce new products, promotional activities; people with relevant skills, knowledge and expertise; marketing budget

*Strategies:* the process to achieve marketing objectives; coordination of different functional departments and activities across the organisation; marketing strategies which align and support organisational goals and objectives, e.g. increase market share, improve customer base; organisation objectives defines the marketing goals; issuing of tasks and setting timeframes; awareness of current corporate and marketing situation; knowledge on market changes and market activity; aware of competitor activity and any growth; supporting organisational ethics and corporate social responsibility

*Reviewing strategies:* monitoring, review and control mechanisms; marketing control systems; measures of marketing performance; tracking of progress; review to see if activities are successful; revise strategies to meet changes in the market and customer needs; implications of not reviewing strategies, missed opportunities, new competitors, improved products introduced into the marketplace; risks, issues if marketing strategy fails

## Essential guidance for tutors

### Delivery

The learning outcomes in this unit can be delivered flexibly. Tutors have the opportunity to use a wide range of teaching and learning strategies, including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources.

Tutors can illustrate points with reference to examples of businesses that demonstrate best practice. 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 marketing.

This unit introduces learners to the principles of marketing and the contribution that marketing makes in the achievement of the organisational objectives. Learners may have experience in marketing management and they should be encouraged to share their knowledge to complement tutor input. Marketing case studies or extracts from the media will be a useful way of illustrating how different organisations develop the marketing mix to help them achieve their marketing and organisational goals.

For learning outcome 1, the tutor could introduce the learner to marketing orientation where customer focus becomes the responsibility of the entire organisation. Learners will need to understand the benefits of market orientation for the customers and the organisation, and understand how the marketing function supports the organisation in achieving their objectives by integrating marketing with the other functional areas. A group discussion could highlight how the marketing function works within their own organisation or, alternatively, case studies could be used to discuss the function of marketing within a large organisation. Topical case studies are a useful way of demonstrating how applying the principles of marketing can contribute to the achievement of an organisation's aims and objectives.

Learners will need to have the opportunity to practise using marketing principles such as SWOT and PESTLE analysis through case studies, or through profiles of organisations that are available on the internet or in good-quality newspapers and business journals.

For learning outcome 2, learners could be given case studies to develop their understanding of the marketing mix and demonstrate how the elements of the marketing mix are interlinked. Learners could research organisations to understand how they segment and target their markets and how organisations will have different approaches to how they use the marketing mix and segment the market for their products. Learners could, individually or in groups use case studies or organisations in the media to identify their target markets and the suitability of their marketing mix.

For learning outcome 3, the tutor could introduce the topic of marketing objectives and strategies through a presentation and classroom discussion, with emphasis on how marketing objectives can define what the organisation wants to achieve through their marketing activities and, depending on the size and type of the business, opportunities and the impact of competitor activity within the marketplace. A discussion on how marketing objectives and strategies contribute to the achievement of the organisational objectives would help to reinforce the topic.

## Assessment

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For AC 1.1, using a case study, learners could produce written work on how marketing orientation supports the achievements of the organisational objectives. They would need to identify the separate factors of marketing orientation and how they are related. For AC 1.2 and 1.3, learners could continue to use the case study to evaluate the contribution of marketing principles and discuss the purpose of integrating the marketing function with the other functional activities.

For AC 2.1 and 2.2, learners could make a presentation to the whole class on a marketing mix structure for an organisation's product or services and evaluate the role of market segmentation in providing insight into the structure of target markets. For AC 2.3, using a case study, learners could develop a marketing mix for a product or service proposal, clearly identifying which segment of the market is being targeted and why.

For AC 3.1, 3.2, 3.3 and 3.4, using a problem scenario, learners could produce written work that requires them to discuss the objectives of a marketing strategy and how this strategy links into the organisational objectives. They will also be required to analyse the resources required to develop a marketing strategy and examine how to implement and review a marketing strategy that contributes to the organisational objectives.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.



## Resources

### Books

Chernev A – *Strategic Marketing Management*, 5th Edition (Brightstar Media, 2009)  
ISBN: 0982512635

Kotler P and Keller K L – *A Framework for Marketing Management*  
(Pearson Education, 2008) ISBN: 0137131844

Lambin J J – *Market Driven Management: Strategic and Operational Marketing*,  
2nd Edition (Palgrave Macmillan, 2007) ISBN 1403998523

Levens M – *Marketing* (Pearson Education, 2009) ISBN: 9780137013296

Pride W F and Ferrell O C – *Marketing* (Houghton Mifflin, 2007)  
ISBN: 9780618799701

Winer R and Dhar R – *Marketing Management*, 4th Edition  
(Pearson Education, 2010) ISBN: 0130387924

### Journals

*European Journal of Marketing* – Emerald

*International Journal of Research in Marketing* – Elsevier

*The Journal of Customer Behaviour* – Westburn Publishers Ltd

*Journal of Marketing Communications* – Routledge

### Websites

[www.businessballs.com](http://www.businessballs.com) – management learning resources and articles and links on strategic marketing management

[www.businesscasestudies.co.uk/business-theory/marketing.html#axzz36sjCfITm](http://www.businesscasestudies.co.uk/business-theory/marketing.html#axzz36sjCfITm)  
– a range of case studies on marketing topics

[www.cim.co.uk](http://www.cim.co.uk) – Chartered Institute of Marketing – resources available only to members

[www.managers.org.uk](http://www.managers.org.uk) – Chartered Management Institute – searchable database with access to articles and books for members only

[www.marketingteacher.com/category/marketing-mix/](http://www.marketingteacher.com/category/marketing-mix/) – free case studies on a range of marketing topics



# **Unit 14: Corporate Communications**

**Unit reference number:** A/506/3875

**Level:** 5

**Credit value:** 4

**Guided learning hours:** 26

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## **Unit aim**

The aim of this unit is to examine corporate communication strategies and its relationship with corporate objectives and corporate reputation.

## **Unit introduction**

The reputation, survival and success of any organisation will rest on their ability to communicate with the customers and as well as employees and stakeholders. Effective communications play an important role in ensuring the understanding of organisational policies, procedures and practices. The decisions made by managers need to be communicated and synchronised to ensure that every functional area and employee work effectively together.

It is through the management of communications that an organisation can integrate and coordinate the different functions to ensure workforce harmonisation and achieve organisation goals and objectives. It is important that both internal and external channels of communication are reviewed and evaluated to identify areas for improvement.

A corporate communication strategy is the outcome of a strategic thinking process where managers make decisions to identify and manage corporate communications and communicate them to stakeholders. To ensure effective relationships with both internal and external stakeholders, every corporate organisation will need to implement communication methods that meet the needs of the audience and the message.

Where effective corporate communications strategies are incorporated into a business structure this will enhance the opportunity for the organisation to achieve its goals and objectives.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the importance of corporate communication	1.1 Discuss the purpose of corporate communication strategies 1.2 Assess how corporate communications link to corporate objectives 1.3 Analyse the relationship between corporate communications and corporate reputation
2 Understand the dimensions of corporate communication processes	2.1 Examine the reasons for the different types of corporate communication 2.2 Evaluate ways in which the effectiveness of corporate communication processes can be measured 2.3 Discuss the purpose of a communication audit 2.4 Discuss how a corporate communication process can be improved
3 Understand how to plan the development of an organisational communication strategy	3.1 Develop objectives and success criteria for a communication strategy 3.2 Analyse communication messages and their relevance to different audiences 3.3 Discuss communication methods and techniques used to address different stakeholders

## Unit content

### 1 Understand the importance of corporate communication

*Purpose:* creates an effective bridge between the organisation and the public; creates and reinforces a positive image about an organisation; effective and timely dissemination of information; smooth and affirmative relationship with all stakeholders (internal and external); allows all employees to understand the vision and direction of an organisation; encourages understanding of communication tools and techniques; sophisticated approaches to global communication; two-way communication channels

*Links to corporate objectives:* supports strategic goals and objectives; supports management and human resources initiatives; helps employees understand organisational strategic goals and objectives and the reasons behind them; promotes strong corporate culture, company loyalty, corporate philosophy, corporate citizenship; promotes transparency and accountability; focuses efforts and resources on the activities and audiences most likely to have the biggest impact on the organisation

*Links to corporate reputation:* perception of key stakeholders; creating a positive reputation; building confidence and trust; important for growth and survival

### 2 Understand the dimensions of corporate communication processes

*Reason for communication:* inform; exchange information; share information; motivation; involvement; participation; developing a learning organisation; personal development; team development; building intellectual capital; knowledge management; supporting decision making; supporting work operations; information (clear, accurate, up to date, relevant, fit for purpose, timely, cost effective); relative for audience; relative for situation

*Methods for measuring effectiveness:* planning and launching, surveys, questionnaires, panels, interviews, critical incident analysis, network analysis, participant observation, document review, focus groups; online methods, e.g. online surveys, questionnaires, video conferencing; survey participants, channels for distributing survey questions, how to receive completed questionnaires, evaluating, reporting

*Purpose of communication audit:* internal; external; identify strengths and weaknesses; effectiveness of communications; identify areas for improvement; identify barriers to communications; quantitative and qualitative data; outcome of audit, identify areas where improvements are needed

*Improvements to communications:* setting objectives for improvement; alignment with business goals; improved speed; improved accuracy; improved detail; improved clarity; consistency; completeness; timeliness; availability of information to users (employees, managers, customers)

### 3 **Understand how to plan the development of an organisational communication strategy**

*Strategy for effective communications:* objectives; context; medium; audience; implementation; monitoring versus evaluation; feedback processes; setting and measuring outcomes; action planning; agreeing timescales; cost benefit analysis; feedback systems; surveys and interviews; measuring inputs; processes; outputs and outcomes; quantitative and qualitative measures; 80/20 rule; disseminating awareness; sustainability

*Message:* context; target audience, e.g. age group, gender, culture; audience knowledge; relevance; purpose of communication; chosen medium; style; language features, e.g. lexis, collocation, idiomatic expressions, modes of address

*Communication methods:* types of communication, e.g. report, letter, presentation, meeting; information required by different stakeholders; formal; informal; passive text; factual texts; technical vocabulary relevant to purpose; persuasive techniques

## Essential guidance for tutors

### Delivery

The learning outcomes in this unit can be delivered flexibly. Tutors have the opportunity to use a wide a range of teaching and learning strategies, including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources.

Tutors can illustrate points with reference to examples of businesses that demonstrate best practice. 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 corporate communications.

For learning outcome 1, the tutor could discuss how corporate communications link with corporate objectives and the relationship between corporate communications and corporate reputation. This could be followed up by learners carrying out and applying their research to a case study and sharing examples of how corporate communication links into corporate reputation and corporate objectives.

For learning outcome 2, learners could examine different types of corporate communications and evaluate the ways they are used in group discussion, followed by a presentation to the whole class on effective measures and audits of corporate

For learning outcome 3, learners could research organisations corporate communication strategy and examine how successfully the organisation met their objectives. Learners could analyse how relevant and appropriate the message is for their intended audience and stakeholders.

### Assessment

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For AC 1.1, learners could discuss the purpose of a corporate communication strategy, taking into account the organisation image, standards, stakeholders, vision and the global nature of communication. For AC 1.2 and AC 1.3, using a case study, learners could assess how well corporate communications link to corporate objectives and analyse the relationship between corporate communication and corporate branding.

For AC 2.1, learners could make a presentation to the whole class on the different types of corporate communications and the need to adapt the strategy for different situations and audiences. For AC 2.2, learners could be provided with a work-based problem, and evaluate the effectiveness of internal and external communication processes and how this could be measured, For AC 2.3 and 2.4, learners could produce written work, which will discuss the purpose and benefit of a communication audit, taking into account internal and external factors, and how a corporate communication process can be improved, providing examples to reinforce their argument.

For AC 3.1, using a work-based scenario, learners could develop the objectives and the success criteria for a communication strategy, demonstrating an understanding of the processes involved such as identifying the audience, medium, timeframe and costs. For AC 3.2, learners could be provided with a range of case studies to analyse and assess how effectively the message was relevant to the different types of audiences. For AC 3.3, learners could produce written work, discussing different communication methods and techniques used for both internal and external stakeholders and why the method or technique was appropriate.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.



## Resources

### Books

Clutterbuck D and Hirst S – *Talking Business: Making Communication Work* (Butterworth-Heinemann, 2003) ISBN 0750654996

Holtz S – *Corporate Conversations: A Guide to Crafting Effective and Appropriate Internal Communications* (Amacom, 2003) ISBN 0814407706

McClave H J – *Communication for Business* (Gill & Macmillan, August 2008) ISBN-13: 9780717144556

O Hair D, Friedrich G W and Dixon L D – *Strategic Communication in Business and the Professions, 5th Edition* (Houghton Mifflin, 2004) ISBN 0618432493

### Journals

*British Journal of Management* – John Wiley and Sons

*Journal of Communication Management* – Emerald

*Journal of Management Studies* – John Wiley and Sons

*Management Today* – Haymarket Business Media

*Strategic Communication Management* – Melcrum

### Websites

[www.idea.gov.uk](http://www.idea.gov.uk) – Local Government Improvement and Development, developing a strategic communication strategy in the public sector which equally applies to the private sector

[www.managementhelp.com](http://www.managementhelp.com) – articles on strategic planning

[www.odi.org.uk](http://www.odi.org.uk) – Overseas Development Institute, how to write a communications strategy



# **Unit 15: Strategic Project Management**

**Unit reference number: K/506/3869**

**Level: 5**

**Credit value: 6**

**Guided learning hours: 32**

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## **Unit aim**

The aim of this unit is to examine the role of project management in supporting strategic objectives.

## **Unit introduction**

Strategic projects specify the activities that give a practical shape to the strategic plans that determine the long-term purpose and direction of businesses.

Governments have infrastructure projects to develop high-speed rail networks: vehicle manufacturers have projects to build driverless cars. The projects are agreed at a senior level and aim to sustain and improve national and corporate competitive advantage.

In this unit you will learn about the importance of project planning and the contribution of a range of stakeholders to the planning process. Project plans are complex and consider both macro- and micro issues. The viability of projects carries risk and uncertainty but nonetheless criteria need to be set in order to measure project efficacy whether it be better connectivity and shorter travel times in the case of high-speed trains or consumer acceptance and fewer accidents with driverless cars. Plans need to be implemented and gain acceptance from interested parties and the value of a project has ultimately to be measured to judge whether it provides value for money and contributes to the achievement of societal and business objectives.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the impact of strategic objectives on project selection and management	<ul style="list-style-type: none"><li>1.1 Discuss how projects support the strategic objectives of an organisation</li><li>1.2 Evaluate internal and external environmental factors that influence the selection of a project that supports strategic objectives</li></ul>
2 Understand the elements of a project planning process	<ul style="list-style-type: none"><li>2.1 Evaluate the roles of project stakeholders in planning a project</li><li>2.2 Evaluate ways in which to establish the viability of a project against specified criteria</li><li>2.3 Examine the components and characteristics of a project plan</li><li>2.4 Explain how to prepare a project plan</li></ul>
3 Understand how to implement the project plan	<ul style="list-style-type: none"><li>3.1 Discuss the purpose of a project implementation plan</li><li>3.2 Discuss ways in which to gain stakeholder commitment and support for project implementation</li><li>3.3 Explain how to implement a project plan</li></ul>
4 Understand how to evaluate the outcomes of a project	<ul style="list-style-type: none"><li>4.1 Analyse ways in which the outcomes of a project are evaluated to measure project performance</li><li>4.2 Analyse ways in which to measure project performance against agreed criteria</li><li>4.3 Assess the benefits of sharing the outcomes of a project evaluation, within an organisation</li></ul>

## Unit content

### 1 Understand the impact of strategic objectives on project selection and management

*Strategic objectives:* vision; mission; values; goals; objectives; ranking projects; selecting projects; alignment of projects to support strategic objectives; influence of environmental factors (external to include political, economic, social, technological, legal and ethical; internal to include strengths, weaknesses, opportunities threats)

### 2 Understand the elements of a project planning process

*Project planning:* stakeholders (internal, e.g. board, managers, project team; external, e.g. shareholders, consultants, community groups); evaluating project feasibility; criteria for project selection (financial, non-financial); business case rationale; viability; deliverables; success/failure criteria; project scope; establishing base lines; producing the project plan

*Project phases:* phases (initiate, plan, execute, monitor/control, evaluate/close); identification of activity, e.g. product breakdown structure (PBS), work breakdown structure (WBS), work package; critical paths; project execution strategy; identifying goals; project specification

*Project management:* systems, e.g. procedures, processes; project information support (IS) systems, integrating human and material resources; resource requirements and costs; agree roles and allocate responsibilities; SMART targets; timescales; milestones; audit trails; review points; managerial sign off

### 3 Understand how to implement the project plan

*Project implementation:* implementation plan; purposes (sufficiency of preparation, plan ownership, description of the project, project goals); inform stakeholders; identify timelines; specify roles and responsibilities; sequencing of activities; contingency arrangements; acceptance tests; termination requirements, e.g. audit trails, punch lists, close-out reports, post-project appraisals, comparison of project outcome with objectives; post implementation activities; implementation plan sign off; hand over; initiate plan activities

*Stakeholder commitment:* stakeholder identification; stakeholders' interests, e.g. claims, power, influence, priority; prioritising stakeholders; identifying influential stakeholders; stakeholder engagement, e.g. seeking views; using expertise, multi-way communication, transparency; responding to stakeholder interests in implementation plans, obtaining consensus

### 4 Understand how to evaluate the outcomes of a project

*Evaluation:* record project outcomes; performance against agreed criteria; validate outcomes; analysis; evaluation (success, failure); impact; implications; further development; disseminating project outcomes to stakeholders; benefits of sharing outcomes, e.g. transparency, informing stakeholders, scrutinising outcomes, basis for discussion, determining future action

## Essential guidance for tutors

### Delivery

The learning outcomes in this unit can be delivered flexibly. Tutors have the opportunity to use a wide a range of teaching and learning strategies, including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources.

Tutors can illustrate points with reference to examples of businesses that demonstrate best practice. 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 project management.

For learning outcome 1, the tutor could introduce the topic with a discussion on how projects support organisations strategic objectives and evaluate the environmental factors that influence project selection.

For learning outcome 2, using case studies and working in groups, learners could evaluate the roles of project stakeholders and the criteria used to support a project, and examine the components of a project plan.

For learning outcome 3, learners could work in groups to research and present their work on implementing a project plan, this would include its purpose, gaining stakeholder commitment and how using a work-based problem, explain how they would implement their project plan.

For learning outcome 4, the tutor could lead a discussion on how to evaluate a project plan to include evaluation methods, ways in which project performance is measured and benefits of sharing the outcomes of a project evaluation. Learners could then be given case studies to evaluate.

### Assessment guidance

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For AC 1.1 and 1.2, the learner could research and present how projects support strategic objectives of an organisation and show examples of these using real organisations, then using case studies, evaluate internal and external factors that could influence project selection.

For AC 2.1, 2.2, 2.3 and 2.4, using a case study, the learner could research and present a project plan to the whole class, having evaluated the roles of stakeholders and their selection, the criteria used to select the project and its components and characteristics.

For AC 3.1, 3.2 and 3.3, the learner could present written work on the purpose of a project implementation plan, how to gain stakeholder commitment and using a problem scenario, explain how they would implement a project plan.

For AC 4.1, 4.2 and 4.3, the learner could be given a range of case studies to analyse methods used to evaluate project performance and the criteria used to measure performance against, along with an assessment of the benefit to the organisation in sharing project evaluation outcomes.

## Resources

### Books

Bowhill B – *Business Planning and Control: Integrated Accounting, Strategy and People* (John Wiley and Sons, 2008) ISBN: 9780470061770

Evans V – *FT Essential Guide to Developing a Business Strategy: How to Use Strategic Planning to Start Up or Grow Your Business* (1st edition) (FT Publishing International, 2013) ISBN: 9781292002613

Haugan G T – *Project Planning and Scheduling* (Project Management Essential Library), (Kogan Page, 2002) ISBN: 9781567261363

Lewis J P – *Project Planning, Scheduling, and Control: The Ultimate Hands-On Guide to Bringing Projects in On Time and On Budget*, (5th edition) (McGraw-Hill Professional, 2010) ISBN: 9780071746526

### Websites

[www.managementhelp.org/projectmanagement/index.htm](http://www.managementhelp.org/projectmanagement/index.htm) – the Free Management Library, information on project management subjects

[www.managers.org.uk/](http://www.managers.org.uk/) – Chartered Institute of Management, practical advice on management issues with a range of online resources on management topics. Membership is required to access the materials

### Podcasts

*The Bottom Line* podcasts and downloads chaired by Evan Davies or Stephanie Flanders. The podcasts, from the BBC and the Open University, bring together current practitioners to discuss current business matters. Many podcasts touch on topics relevant to the unit, for example the podcasts on Transformation and Planning for the Future consider aspects of strategic projects and planning.

They can be searched through and downloaded from:  
[www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all)

### Journals

*Management Today* – Haymarket Media Group Ltd. has articles on management topics, including business strategy and project management

*Project Management Journal* – The Project Management Institute has a range of material on project management, including a journal and a knowledge centre



# **Unit 16: Successful Business Team Development**

**Unit reference number:** F/506/3926

**Level:** 4

**Credit value:** 3

**Guided learning hours:** 22

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## **Unit aim**

The aim of this unit is for learners to examine the characteristics of what makes a successful business team and how to use these characteristics to develop successful business teams.

## **Unit introduction**

Teamwork has become an important element in many organisations and the success of an organisation is often reliant on the effectiveness and efficiency of the different teams. However, for a team to be successful and function effectively they have to be planned and supported.

In this unit you will learn how establishing a successful business team requires an understanding of team dynamics and an understanding of the importance of leading and developing a team. You will gain an understanding on how team dynamics can impact on the success of the team and effect the organisation in achieving their objectives.

The success of any team will depend on the fostering of constructive relationships between team members and the commitment to open communications channels. Maintaining motivation in all team members is a crucial aspect of successful business teams. Team members will need to be assigned personal goals and objectives that provide the opportunity to develop their strengths and skills but which impacts positively on the objectives of the team and the organisation.

A successful business team will monitor their activities, reflect on how they work and look for ways of improving their performance.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the characteristics of successful business teams	<ul style="list-style-type: none"><li>1.1 Discuss the characteristics of effective business teams</li><li>1.2 Analyse the value of theoretical models when building effective business teams</li><li>1.3 Evaluate the effectiveness of having defined team roles and successful business teams</li></ul>
2 Understand how to develop successful business teams	<ul style="list-style-type: none"><li>2.1 Evaluate methods used for team development that support team members to achieve given objectives</li><li>2.2 Assess the techniques used to motivate individuals and teams to achieve given objectives</li><li>2.3 Examine how performance feedback can be used to develop teams</li><li>2.4 Discuss how to determine criteria to monitor the effectiveness of teams</li><li>2.5 Assess how to develop team performance against agreed criteria</li></ul>

## Unit content

### 1 Understand the characteristics of successful business teams

*Characteristics of effective business team:* definition of team (e.g. difference between a group and a team); types of team e.g. functional, project, matrix, contract, self-managed team; characteristics of successful business teams, e.g. participative leadership, loyalty, trust, open communication, shared goals and objectives, shared responsibility, shared vision, common purpose, cooperation between members, motivation; effectiveness of having defined team roles (e.g. Belbin's team role theory, Myers-Briggs Type Indicator (MBTI), contribution of different team roles, establishing a balanced team, strengths and weaknesses)

*Analysis of theoretical models:* behavioural models (e.g. Blake and Mouton's Managerial Grid; McGregor's theory X and Y model), Contingency/situational models (e.g. Adair's Action Centred Leadership model, Tannenbaum and Schmidt's Leadership Continuum, Fielder's contingency model), Hersey-Blanchard Situational Leadership model, Transformational Leadership, Transactional Leadership (Bennis, Bass)

### 2 Understand how to develop successful business teams

*Team development and motivation techniques:* stages of team development, i.e. development stages (e.g. Tuckman; Leigh and Maynard's, Honey's chaotic); team leader role (e.g. facilitating development); team building (e.g. development activities, training, mentoring, coaching); motivating team members; importance of motivation; importance of negotiation and bargaining skills for motivation; theories of motivation (e.g. McGregor's Theory X and theory Y, Herzberg's Motivation-Hygiene theory, Maslow's Hierarchy of Needs, Vroom's Expectancy theory, Alderfer's ERG theory, Deci and Ryan's self-determination theory); factors that motivate people to perform (e.g. praise, encouragement, recognition, celebration of achievement, clear goals, clear feedback, open communication channels, development opportunities)

*Performance feedback:* importance of continuous feedback relating to objectives, e.g. listening, observing, open communications, asking others; sources of feedback, e.g. performance reviews, appraisals, monitoring activities, colleagues and customers Leigh and Maynard's Effective Feedback

*Monitoring and developing team performance:* monitor team performance by setting SMART objectives, comparison of performance with standards, quantity-based measures (e.g. production levels, customer enquiries and feedback, error rates, speed of response), qualitative measures (e.g. views, opinions, performance data, sampling, timing, proportion of work checked), methods of collecting and interpreting data on performance (e.g. work schedules, progress review meetings, milestones, regular reporting systems), importance of contingency plans, e.g. making adjustments to plans; develop teams by measuring and evaluating performance, e.g. against objectives and achievements, setting, reviewing and re-setting SMART objectives, e.g. benchmarks and targets and taking corrective action, involvement of team members in reviewing performance, importance of celebrating achievements, team-building activities, training and development

## Essential guidance for tutors

### Delivery

The learning outcomes in this unit can be delivered flexibly. Tutors have the opportunity to use a wide a range of teaching and learning strategies, including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources.

Tutors can illustrate points with reference to examples of businesses that demonstrate best practice. 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 team development.

For learning outcome 1, the tutor could introduce the topic through a discussion exploring the characteristics of successful business teams and the distinction between teams and successful teams, learners could participate in a professional discussion on the characteristics of successful teams.

For learning outcome 2, learners could research and present different techniques used to develop and motivate teams. Learners could work in groups to discuss and assess the importance of team development, how to proceed through the developmental stages and evaluate factors implemented to motivate team members to achieve both their objectives and the team objectives.

### Assessment

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For AC 1.1 and 1.2, the learner could present written work that discusses how the balance of different roles could impact on the success of the team, using their knowledge of relevant theories, such as Belbin team role theory; and analysing different theoretical models. For AC 1.3 using a case study or work-based problem, the learner could evaluate the effectiveness of business teams where team roles have been defined.

For AC 2.1, the learner could discuss and present to the whole class, the different criteria implemented to monitor the effectiveness of teams, such as, quantity-based or qualitative measures. The discussion could be extended to focus on the different processes which could be implemented to develop teams, for example team-building activities and training. For AC 2.2 and 2.3, the learner could use a case study to assess the techniques used to motivate staff and examine how performance feedback could develop teams further. For AC 2.4 and 2.5, the learner could work on a group-based project to discuss how to determine criteria to monitor team effectiveness, and assess how team performance could be developed against agreed criteria.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## Resources

### Books

Boynton A and Fischer B – *Virtuoso Teams: The Extraordinary Stories of Extraordinary Teams* (Financial Times/Prentice Hall, 2008) ISBN: 9780273721833

Dufrene D and Lehman C – *Building High-Performance Teams*, 4th Edition (South-Western, Division of Thomson Learning, 2010) ISBN: 9780324782196

Kehoe D – *Developing High Performance Teams* (McGraw-Hill Professional, 2008) ISBN: 9780070137905

Leigh A and Maynard M – *Leading Your Team: How to Involve and Inspire Teams*, 2nd Edition (Nicholas Brealey Publishing, 2002) ISBN: 9781857883046

Martin Hays J – *Building High-performance Teams: A Practitioner's Guide* (Argos Press, 2004) ISBN: 9780958023856

McCreary J S – *Creating the 'I' in Team: Building Superior Teams with Intelligence, Initiative and Integrity* (Sunstone Press, 2007) ISBN: 9780865345386

Runde C and Flanagan T A – *Building Conflict Confident Teams* (Jossey-Bass, 2008) ISBN: 9780470189474

Vogt J W – *Recharge your Team: The Grounded Visioning Approach* (Praeger Publishers Inc, 2008) ISBN: 9780313355424

### Journals

*Leader to Leader* – Leader to Leader Institute

*Management Today* – Haymarket Business Media

*People Management* – Chartered Institute of Personnel and Development

### Websites

[www.belbin.com](http://www.belbin.com) – Belbin's team roles theory

[www.businessknowhow.com](http://www.businessknowhow.com) – 12 tips for winning teams

[www.businesstown.com](http://www.businesstown.com) – short article on building winning teams

[www.leadership-studies.com](http://www.leadership-studies.com) – overview of leadership theories and models

[www.managementhelp.org](http://www.managementhelp.org) – articles and further links on building successful business teams

## **Unit 17:**

# **Understand How to Manage Work Activities to Improve Business Performance**

**Unit reference number:** A/506/4220

**Level:** 4

**Credit value:** 11

**Guided learning hours:** 43

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### **Unit aim**

The aim of this unit is to provide learners with the understanding and skills to manage their activities in the business workplace to improve their effectiveness and efficiency.

### **Unit introduction**

This unit focuses on the effective and efficient planning and management of business work activities. In this unit, you will gain an understanding and the skills needed to design and implement operational systems to improve their effectiveness and efficiency and achieve the desired results for the business.

You are encouraged to consider the importance and interrelationship of business processes and the implementation of operational plans, together with quality systems and health and safety, in achieving satisfactory results.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the importance of business processes in delivering outcomes based on business goals and objectives	<p>1.1 Analyse the effect of the mission, aims and objectives of an organisation on its structure and culture</p> <p>1.2 Explain the methodology used to map processes to the organisation's goals and objectives</p>
2 Understand how work plans are developed	<p>2.1 Explain the importance of identifying and prioritising outcomes for work plans</p> <p>2.2 Explain the purpose of agreeing SMART objectives that align people and other resources in an effective and efficient way</p> <p>2.3 Evaluate the usefulness of techniques used to manage activities</p> <p>2.4 Assess factors to be taken into account when allocating and agreeing work with team members</p> <p>2.5 Explain how to produce a work plan which promotes goals and objectives</p>
3 Understand how to monitor work plans and systems to improve organisational performance	<p>3.1 Assess the importance of implementing quality audit systems/practice to manage and monitor quality standards</p> <p>3.2 Explain the importance of embedding a quality culture to improve organisational performance</p> <p>3.3 Explain the importance of providing leadership and direction for own area of responsibility</p> <p>3.4 Evaluate methods used to monitor progress and provide feedback to team members</p>



Learning outcomes	Assessment criteria
<p>4 Understand health and safety requirements when managing business activities</p>	<p>4.1 Explain the impact of health and safety legislation on work activities</p> <p>4.2 Explain the purpose and benefits of carrying out a risk assessment when managing work activities</p> <p>4.3 Assess the importance of reviewing organisational health and safety policies and procedures</p>

## Unit content

### 1 Understand the importance of business processes in delivering outcomes based on business goals and objectives

*Functions:* interrelationships of functions, mission, aims, objectives and culture; interrelationship with processes

*Processes:* principles and models of effective process management; types of business process measures, output; quality gateways; how to evaluate suitability

### 2 Understand how work plans are developed

*Techniques used to manage activities:* random sampling; non-random sampling; stakeholder analysis; documentation review; direct observation; cost-benefit analysis (CBA)

*Factors when allocating and agreeing work:* strengths and weaknesses; resource; holiday; knowledge; ability to work as a team

### 3 Understand how to monitor work plans and systems to improve organisational performance

*Systems:* Total Quality Management (TQM), TQM philosophy, principles, methods and techniques; quality systems, quality circles, ISO9000/EN29000 or subsequent current amendments, managing and monitoring quality

*Organisational performance:* principles of models which underpin organisational performance; types of performance measures and how to determine and set them; cost/benefit analysis; risk analysis; the value of a customer-focused culture; the importance of prevention rather than correction; importance of developing a continual improvement culture and how to involve others; planning, proposing, implementing and evaluating change; identifying wider implications of change within the organisation; Business Process Re-engineering (BPR)

*Importance of providing leadership and direction:* provide positive environment; helps grow a business; employees have direction and are motivated

*Methods used to monitor progress:* benchmarks; individual goals and objectives

*Methods used to provide feedback:* one-to-one meetings, appraisal meetings, 360-degree feedback; personal development plans (PDPs)

### 4 Understand health and safety requirements when managing business activities

*Health and safety:* legislation and regulations relating to health and safety at work; organisational policies and procedures regarding health and safety; risk assessment and monitoring; practical application of regulations; public attitudes and concerns relating to health and safety

## Essential guidance for tutors

### Delivery

Learners are expected to enquire into the topics under discussion, to question theory and to compare and contrast theory with their professional knowledge and practice. For some learners this will mean building on existing knowledge and earlier studies, while for others it will mean drawing on experience gained in a work environment.

Delivery will be through blended learning, using business resources and class-based teaching. Standard tuition materials, texts, business simulations, exercises and formative assessments can be used. Other delivery techniques can also be used, for example practical work, guest speakers, tutorials, seminars and discussion groups where personal and professional practice can be shared and discussed.

Learners are encouraged to engage in social learning to carry out practical work, discuss problems, consider experiences, work on case studies, prepare reports for presentation and carry out research on managing work activities to improve business performance. Learners in work are expected to use their working context and roles to learn about the practical techniques associated managing work activities to improve business performance.

### Assessment

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.

It is important that suitable organisations are chosen for investigation so that learners can acquire the information they need to meet the assessment criteria.

Evidence can be presented as written reports or presentations. If presentations are used, then copies of slides, handouts and presenter notes must be included, as well as learner observation records completed by the tutor.

For learning outcome 1, learners need to be given a selected organisation to research. They need to analyse the effect of the mission, aims and objectives of an organisation on its structure and culture (AC 1.1) and explain the methodology used to map processes to the organisation's goals and objectives (AC 1.2).

Learners can build on learning outcome 1 in order to achieve learning outcome 2. It would be beneficial for learners to have the opportunity to participate in role plays and discussion groups as this will give them the examples based on their own and others personal experience to help achieve learning outcome 2.

Learners need to explain the importance of identifying and prioritising outcomes for work plans (AC 2.1), explain the purpose of agreeing SMART objectives that align people and other resources in an effective and efficient way (AC 2.2) and evaluate the usefulness of techniques used to manage activities (AC 2.3). This can be built on to achieve AC 2.4 and 2.5, assess factors to be taken into account when allocating and agreeing work with team members and explain how to produce a work plan which promotes goals and objectives.

For learning outcome 3, learners need to assess the importance of implementing quality audit systems/practice to manage and monitor quality standards (AC 3.1), explain the importance of embedding a quality culture to improve organisational performance (AC 3.2), explain the importance of providing leadership and direction for own area of responsibility (AC 3.3) and evaluate methods used to monitor progress and provide feedback to team members (AC 3.4).

Discussion groups will assist learners when completing learning outcome 4.

For learning outcome 4, learners need to explain the impact of health and safety legislation on work activities (AC 4.1), explain the purpose and benefits of carrying out a risk assessment when managing work activities (AC 4.2) and assess the importance of reviewing organisational health and safety policies and procedures (AC 4.3).

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed

## **Indicative resource materials**

### **Books**

Heizer J and Render B – *Principles of Operations Management and Student DVD & CD-ROM* (7th edition) (Pearson Education, 2008) ISBN: 9781408222492

Krajewski L, Ritzman L and Malhotra M – *Operations Management: International Version* (Pearson Education, 2009) ISBN: 9780132458917

Slack N et al – *Operations Management/Quantitative Analysis in Operations Management/Companion Website with Gradetracker Student Access Card: Operations Management* (5th edition) (Financial Times/Prentice Hall, 2008) ISBN: 9781408215371

# Unit 18: Budget Management

**Unit reference number:** Y/506/3866

**Level:** 4

**Credit value:** 5

**Guided learning hours:** 29

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## Unit aim

The aim of this unit is to give the learner an understanding of the importance of budget planning and how budgets support the business decision-making process. The unit also provides an introduction to the importance that costs play in the financial planning process for an organisation.

## Unit introduction

Organisations today are operating in a constantly changing environment where the need for effective budgeting is playing a more important role in supporting business decision making and business performance. Budgeting encourages an organisation to plan for the future and will provide the knowledge on where to allocate and utilise resources within the organisation. Effective budgeting will help to coordinate the activities across different functional departments and responsibility centres so that organisational objectives can be achieved.

It is important that managers making decisions understand the role of budget planning and control and are able to use them to inform decision-making processes. Budgets can be utilised to monitor and evaluate business operations and will act as an early warning system when plans may need to be revised. Information from budgets and costs will provide managers with the information to make informed decisions about production levels, pricing strategies, competitive strategies and any future investments.

Managers will be given responsibility for reviewing and controlling the budget and will need an understanding of the strategies which could be implemented when the actual performance has not met predicted targets.

For an organisation to run effectively it is important that managers have an understanding of the costs incurred in the production of their products. They will need to identify whether the performance in one area of the organisation is impacting on the profits from another area.

This unit enables learners to develop an understanding of the importance of budgeting and the impact on the decision-making process in organisations.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the impact of internal and external factors on budgetary planning in a business	<ul style="list-style-type: none"><li>1.1 Assess the need for long- and short-term budgetary plans in a business</li><li>1.2 Discuss the relationship between functional departments and responsibility centres</li><li>1.3 Evaluate internal and external sources of information used to determine cost, price and demand</li></ul>
2 Understand how to manage a budget	<ul style="list-style-type: none"><li>2.1 Evaluate strategies used to manage budget variance</li><li>2.2 Assess how budgetary management controls are used to optimise business performance</li></ul>
3 Understand how to analyse cost information in business	<ul style="list-style-type: none"><li>3.1 Distinguish between the different types of cost incurred by businesses</li><li>3.2 Discuss the uses of cost data for business planning and control purposes</li><li>3.3 Evaluate methods and techniques used to calculate business costs</li></ul>

## Unit content

### 1 Understand the impact of internal and external factors on budgetary planning in a business

*Long-term and short-term planning:* roles of long- medium- and short-term planning, turning the corporate plan into a series of short-term plans (budgets), strategic planning, operational planning and management control

*Functional departments and responsibilities centres:* functional departments, e.g. production, sales, HR, research and development, purchasing, marketing; responsibilities centres, e.g. revenue centres, expense centres, profit centres, investment centres; relationship between functional departments and responsibilities centres; difference in how inputs and outputs are measured

*Internal and external sources of information:* past data on trends, e.g. costs, sales, profit margins, changes in consumer needs, suppliers; government, e.g. changes to taxation, interest rates; information on competitor activity; new technological developments which would impact on sales; reliability of source; accuracy of information

### 2 Understand how to manage a budget

*Variance:* difference between budgeted figures and actual figures; positive/favourable variance; adverse/unfavourable variance; identify reason for variance; where remedial actions are needed; adjustments to forecasts; reduction in spending, e.g. change supplier, reduce labour or overheads; adjustments to processes, e.g. change to production process, increase or reduce advertising

*Budgetary management controls:* clearly defined responsibilities; planning for future; early detection of problems; identification of potential problems; identify and set targets; promotes coordination of activities; ability to review and revise forecasts; management and allocation of resources and finance to meet business objectives; evaluation and monitoring process; basis for performance appraisal; ability to take corrective actions; investigation of unaccounted variance

### 3 Understand how to analyse cost information in business

*Cost:* start-up costs; operating costs; fixed costs do not change with production levels, e.g. heating, lighting, rent; variable costs will change depending on how much is produced, e.g. raw materials; semi-variable costs; direct costs directly associated with the production of a product or service, e.g. raw materials, labour costs; indirect costs not directly linked to a specific product, e.g. heating, advertising; total costs

*Use of cost data for business planning:* cost, profit and investment centres; how standard costing and variance analysis can contribute to control of costs and other decisions in the organisation; cost benefit analysis; break even analysis to identify when revenue is equal to costs; trend analysis; how marginal costing/contribution analysis contributes to decision making

*Costing methods and techniques:* process costing; job costing; batch costing; product costing; activity based costing; use of cost centres to identify profitable areas of the business; absorption costing; the concept of a standard cost for products and/or services, how standard costs are calculated; the concept of marginal cost, how marginal cost is calculated; pay back method

## Essential guidance for tutors

### Delivery

The learning outcomes in this unit can be delivered flexibly. Tutors have the opportunity to use a wide a range of teaching and learning strategies, including lectures, discussions, seminar presentations, case studies, video clips, internet research and library resources.

Tutors can illustrate points with reference to examples of businesses that demonstrate best practice. 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 management and leadership.

The learners may not be accountants so, wherever possible, delivery needs to be in the context of how useful financial planning and decision making is to organisations and the relevance to learners emphasised. There may be learners in the group who have experience of costing/budgeting and planning in their role as a manager and it is important to draw on this experience for the benefit of others in the group.

For learning outcome 1, the tutor can introduce the topic by exploring and discussing the internal and external factors that influence budgets, evaluate the need to have short- and long-term budgetary plans and where the source of information could be gathered to inform planning. Using case studies or problem scenarios learners could work in groups to discuss and then present the appropriateness of short- and long-term budgets, which internal and external factors determine the budgetary requirements, deciding which departments would feed into and have responsibility over the budget and evaluating the source of information used to determine the budget.

For learning outcome 2, the tutor could discuss and demonstrate budgetary control methods, processes and strategies. Using case studies and task sheets, learners could practice calculating budget variance and producing a report as to how well the organisation managed their budget and how the budget management controls impacted upon the business performance. For learning outcome 3, learners could be given an applied task requiring them to investigate and calculate different types of cost and report on how this information could be used to implement future budgetary management controls.

Learners will need an introduction to the different methods and techniques a business will use to calculate costs such as process, job, batch, product and activity-based costing. Learners will need an introduction to how cost data is used for planning business and controlling operations and how this supports an organisation in achieving their objectives. Learners could be encouraged to share their experience of calculating business costs and how cost data is used for business planning and control within their own organisation. Alternatively, learners could be provided with a relevant case study.



## Assessment guidance

Centres will devise and mark the assessment for this unit. Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments can be used such as (but not confined to) reports, proposals, plans, presentations, question and answer, case studies, exercises, simulations. All assessment methods are acceptable provided the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For AC 1.1, learners could analyse case studies or problem scenarios to assess the need for long- and short-term budgetary plans within an organisation.

For AC 1.2, learners can work in groups to discuss and present the relationship between the functional departments and responsibility centres and how they impact on the budget planning process in terms of accountability and determining the budget. For AC 1.3, a case study could be used for learners to evaluate the internal and external sources of information, its reliability and report on the factors that determine the cost, price and demand.

For AC 2.1, learners could use a case study and task sheets to evaluate budget management strategies used to manage budget variance. For both AC 2.1 and 2.2, learners can then produce a written report to identify if the variance is positive or negative, evaluate the strategies that the organisation has implemented for budgetary management controls and assess how well those controls managed to optimise business performance.

For AC 3.1, using a work-based problem or problem scenario, learners are to distinguish between the different types of business costs. For AC 3.2, the learner can discuss how the cost data will be used to inform business planning and control, using evidence to support their response and, for AC 3.3, the learner can then evaluate the methods and techniques used to calculate the business cost.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## Resources

### Books

Brookson S – *Managing Budgets* (Dorling Kindersley, 2000) ISBN: 9780751307719

Drury C – *Management and Cost Accounting, 7th Edition* (Cengage Learning, 2007)  
ISBN: 9781844805662

Higgins R C – *Analysis for Financial Management, 9th Edition* (McGraw-Hill Higher Education, 2009) ISBN: 9780071268820

Lucey T – *Management Accounting, 5th Edition* (Thomson Learning, 2003)  
ISBN: 9780826463609

### Journal

*Accounting Technician* – Association of Accounting Technicians

### Websites

[www.aat.co.uk](http://www.aat.co.uk) – The Association of Accounting Technicians

[www.accountancyage.com](http://www.accountancyage.com) – accountancy news and information

[www.accountingtechnician.co.uk](http://www.accountingtechnician.co.uk) – Association of Accounting Technicians Online

[www.accountingweb.co.uk](http://www.accountingweb.co.uk) – accounting news, information and case studies

[www.cimaglobal.com](http://www.cimaglobal.com) – Chartered Institute of Management Accountants

[www.tutor2u.net](http://www.tutor2u.net) – educational website for business, finance and economics

# **Unit 19:**

## **Business Administration Systems**

**Unit reference number:** F/506/4140

**Level:** 4

**Credit value:** 6

**Guided learning hours:** 31

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### **Unit aim**

The aim of this unit is to give learners an understanding of administrative systems in organisations and the contribution of systems thinking to efficient administrative performance. There is a focus on understanding how the role and function of policies and procedures enable organisations to meet customer requirements.

### **Unit introduction**

All organisations have a back office, the places where administration takes place away from the view of customers. Administration is an important part of business activity. Invoices have to be sent out, money collected, records of hours worked have to be maintained and wages and salaries have to be paid.

In this unit, you will learn about the features of administrative systems employed in different types and sizes of organisations with an explanation of how information flows are managed. The arrival of information and communication technology (ICT) and its increasing sophistication mean that it is now widely used in supporting administration and improving the efficiency of organisations.

This unit will help you to understand how systems thinking affects the administrative performance of organisations, by looking at its contribution to efficient administrative performance, the stages of systems development and the potential drawbacks of systems thinking in a business context. There are significant benefits to implementing systems change, particularly when it improves the administrative performance of an organisation. For example systems for online billing and collecting debts with direct debits improve the cash flow in an organisation whilst at the same time reducing costs.

A distinction will be drawn between administrative policies and administrative procedures, both formal and informal, and the relationship between them, particularly in respect of the role and function of policies and procedures in meeting customer requirements by evaluating the extent to which they are effective.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand administrative systems	<ul style="list-style-type: none"><li>1.1 Explain the features of administrative systems used in different types and sizes of organisation</li><li>1.2 Explain how organisations manage the flow of information</li><li>1.3 Evaluate the role of information and communication technology (ICT) in supporting administration</li></ul>
2 Understand how systems thinking affects the administrative performance of organisations	<ul style="list-style-type: none"><li>2.1 Explain the stages of systems development</li><li>2.2 Explain the contribution of systems thinking to efficient administrative performance</li><li>2.3 Analyse the drawbacks to systems thinking in an organisational context</li><li>2.4 Evaluate the benefits of implementing systems change</li></ul>
3 Understand the role of policies and procedures in meeting customer requirements	<ul style="list-style-type: none"><li>3.1 Explain the difference between administrative policies and procedures</li><li>3.2 Analyse the purpose of formal and informal administrative policies and procedures</li><li>3.3 Analyse methods for evaluating the effectiveness of procedures</li><li>3.4 Analyse the relationship between formulating policy and preparing procedures</li><li>3.5 Analyse how to ensure the procedures meet customer requirements</li></ul>

## Unit content

### 1 Understand administrative systems

*Administrative systems:* size of organisation; type of organisation; purposes, e.g. support business activity, provide back office services; functional areas, e.g. personnel, payroll, purchasing, sales, accounting, client management; methods, e.g. paper based, computer based

*Managing information flow:* information flows between information generators and information users; information flows across functional areas; internal flows; external flows; types of information, e.g. text, numbers, graphics, audio, video; content; level of detail; volume of information; timing; intelligibility; differentiating between essential and useful information; frequency; storage; retrieval; recording information flows; confirming receipt of information; acting on information

*Role of information and communication technology (ICT) in supporting administration:* hardware; software, e.g. databases; local area networks; wide area networks; world wide web; supporting administration; storing data; manipulating data; retrieving information; formatting information for users to provide intelligibility and clarity; speed of information flows; consistent information; information integration; information analysis

### 2 Understand how systems thinking affects the administrative performance of organisations

*Stages of systems development:* investigation; analysis; design; testing; documenting; implementation; operation; maintenance

*Systems thinking:* organisation systems; organisation sub-systems; interaction of system components on a system; hard systems; soft systems; contribution to efficient administrative performance; problem solving; performance analysis; dealing with recurring problems; action affecting environment; unobvious problem solving; drawbacks to systems thinking; unplanned consequences; time requirement; unclear system boundaries; failure to see 'the big picture'

*Benefits of implementing systems change:* efficiency; cost reduction; revenue generation; integration of processes both internal and external; fewer staff; immediacy of response; responsiveness to user needs; closeness to the customer (internal, external); competitive advantage; supporting achievement of organisation goals

### 3 **Understand the role of policies and procedures in meeting customer requirements**

*Administrative policy and procedures:* policies (formal and informal); formal administrative policies and procedures; broad philosophy; principles; rules to guide decisions, e.g. equality policy, health and safety policy; achievement of specified outcomes; regulation of actions and conduct; procedures (formal and informal); specific rules, e.g. procedure for dealing with late payers; relationship between formulating policy and producing procedures; support the implementation of a policy; establish accountability, e.g. who, what, where, when, why; characteristics, e.g. specific, factual, succinct, to the point; content, e.g. descriptions of processes, timelines, forms, templates; standard operating procedures; methods of procedure; informal administrative policies and procedures; custom and practice; undocumented; short circuit established policies and procedures to achieve desired outcomes; update and amend formal policies and procedures; provide advice or ideas; provide specific guidance

*Procedures meeting customer requirements:* customer needs; match product and/or service to customer requirements; provide product and/or service to customer; provide information; provide support; customer relationship management; customer views; feedback; customer tracking

*Methods for evaluating the effectiveness of procedures:* monitor; gather data from interested parties; review against best practice and/or desired outcomes; evaluate; propose improvements and/or changes

## Essential guidance for tutors

### Delivery

Learners are expected to enquire into the topics under discussion, to question theory and to compare and contrast theory with their professional knowledge and practice. For some learners this will mean building on existing knowledge and earlier studies, while for others it will mean drawing on experience gained in a work environment.

Delivery will be through blended learning, using business resources and class-based teaching. Standard tuition materials, texts, business simulations, exercises and formative assessments can be used. Other delivery techniques can also be used, for example practical work, role play, tutorials, seminars and discussion groups where personal and professional practice can be shared and discussed.

Learners are encouraged to engage in social learning to carry out practical work, discuss problems, consider experiences, work on case studies, prepare reports for presentation and carry out research on an organisation's administration systems. Learners in work are expected to use their working context and roles to learn about the practical techniques associated with an organisation's administration systems.

### Assessment

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.

It is important that suitable organisations are chosen for investigation so that learners can acquire the information they need to meet the assessment criteria.

Evidence can be presented as written reports or presentations. If presentations are used, then copies of slides, handouts and presenter notes must be included, as well as learner observation records completed by the tutor.

For AC 1.1, learners will need to explain the features of administrative systems used in different sizes of organisations. For AC 1.2, learners will need to explain how organisations manage the flow of information. This can be built on for AC 1.3, evaluate the role of information and communication technology (ICT) in supporting administration.

Learners should use a selected organisation for learning outcome 2. For AC 2.1 and AC 2.2, learners need to explain the stages of systems development and explain the contribution of systems thinking to efficient administrative performance. This can be built on for AC 2.3 and AC 2.4, analyse the drawbacks to systems thinking in an organisational context and evaluate the benefits of implementing change.

Learners should also use their selected organisation for learning outcome 3. For AC 3.1, learners need to explain the difference between administrative policies and procedures. This can be built on for AC 3.2 and AC 3.3, analyse the purpose of formal and informal administrative policies and procedures and analyse methods for evaluating the effectiveness of procedures.

For AC 3.4 and AC 3.5, learners need to analyse the relationship between formulating policy and preparing procedures and analyse how to ensure the procedures meet customer requirements.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## **Indicative resource materials**

### **Books**

Appleby R C – *Modern Business Administration*  
(Financial Times/Prentice Hall, 1994) ISBN: 9780273602828

Benyon-Davies P – *Business Information Systems* (Palgrave Macmillan, 2009)  
ISBN: 9780230203686

Sherwood D – *Seeing the Forest for the Trees: A Manager's Guide to Applying Systems Thinking* (Nicholas Brealey Publishing, 2002) ISBN: 9781857883114

### **Websites**

[www.bized.co.uk](http://www.bized.co.uk) –business education site with materials on business administration

[www.managementhelp.org](http://www.managementhelp.org) – free management library, articles on various aspects of business administration, policies and procedures, also has materials on finance



## Unit 20:

## Principles of Customer Service Management

**Unit reference number:** A/506/4217

**Level:** 4

**Credit value:** 8

**Guided learning hours:** 80

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### Unit aim

The aim of this unit is to give learners knowledge and understanding of customer service principles and the systems required in a management role. The unit also looks at the links between management responsibilities and the key principles.

### Unit introduction

Organisations have developed a language and approach for customer service that are recognised and understood as the basic principles for service excellence. In this unit, you will understand and explain the key principles of customer service and the way they can be applied in specific customer service management situations in a more strategic way. The basic principles defined in this unit underpin all aspects of making customer service work; they will enable you to put professional customer practice into the context of your occupational sector and organisation.

Management responsibilities in a role directly related to customer service, generally involve a set of skills, knowledge and understanding of systems that might be expected of any manager. However, the nature of customer service means that there are further skills and knowledge needed when specific customer service responsibilities are undertaken. In this unit, you will consider the links between management responsibilities and the key principles of customer service.

Achieving excellent customer service depends on the skills and knowledge of the staff who provide it. To be effective, organisations need to constantly review how effective their customer service is and what improvements should be made. Sometimes customer service improvements will depend on the training and development of staff skills. In this unit, you will consider the development and training needed for staff, what options should be considered, and how the success of the development and training should be monitored.

Improvements to customer service are based on an awareness of customer wishes and expectations. In this unit, you will learn how to gather information on customer awareness by seeking structured feedback from customers about their experiences. When this information has been collected it must be analysed and interpreted in order to use it for making improvements to customer service.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the principles of management in customer service	<p>1.1 Evaluate how management and leadership styles impact on customer service</p> <p>1.2 Explain how customer service systems and processes balance:</p> <ul style="list-style-type: none"><li>• customer satisfaction</li><li>• financial considerations</li><li>• legislation</li></ul> <p>1.3 Evaluate the importance of developing customer service policies that support the culture and ethics of the organisation</p>
2 Understand how to manage recruitment and training to support customer service	<p>2.1 Analyse the personal and professional skills required to deliver effective customer service in the organisation</p> <p>2.2 Explain how to recruit and select staff for a customer service role</p> <p>2.3 Analyse methods used to train and develop staff in customer service delivery</p> <p>2.4 Explain the relationship between staff training, experience, personality and customer service delivery</p>

Learning outcomes	Assessment criteria
<p>3 Understand the management of customer service delivery</p>	<p>3.1 Analyse the roles and responsibilities of customer service management in relation to:</p> <ul style="list-style-type: none"> <li>• the organisation's service offer</li> <li>• customer expectations</li> <li>• customer satisfaction</li> </ul> <p>3.2 Appraise the use of customer service as a competitive tool by the commercial sector</p> <p>3.3 Appraise the use of customer service as a contribution to best value in the public or third sector</p> <p>3.4 Evaluate how customer service values and ethics are demonstrated and maintained</p> <p>3.5 Appraise the key features of a customer service culture within an organisation</p> <p>3.6 Analyse how technology can be used to improve customer service delivery</p>
<p>4 Understand the value of monitoring, evaluating and continuous improvement in customer service delivery</p>	<p>4.1 Explain the importance of monitoring the delivery of customer service within the organisation</p> <p>4.2 Evaluate the methods for monitoring customer service performance</p> <p>4.3 Explain how risk assessment is applied within customer service delivery</p> <p>4.4 Evaluate ways in which an organisation can seek continuous improvement in customer service</p> <p>4.5 Explain the importance of establishing collaborative partnerships in customer service</p>

## Unit content

### 1 Understand the principles of management in customer service

*Customer service management:* definition of customer service; customer service management role, e.g. setting SMART team objectives, linking performance to customer-focused objectives, creating a customer-focused culture, motivating and leading a team to deliver effective customer service, communicating, building customer relationships, managing conflict, handling customer complaints, effective decision making; identifying key features of good customer service in other organisations; understanding organisation's aims for customer service excellence; translating organisational aims into team actions

*Management and leadership:* management, e.g. planning, organising, co-ordinating, controlling; leadership attributes and skills, e.g. delivering results, showing enthusiasm, integrity, courage, sensitivity, commitment; communicating the vision clearly; cultivating key relationships; creating sense of common purpose with team; taking responsibility for making things happen; encouraging and supporting others; application of leadership behaviours and styles to work groups, having a good cultural fit within the organisation; theories of leadership qualities, e.g. Adair, Peters, Kanter, Mintzberg; emotional intelligence

*Impact of management and leadership style:* styles, e.g. autocratic, charismatic, persuasive, participative; influences on style, e.g. culture of organisation, beliefs and values of manager/leader; Blake and Mouton's Managerial Grid

*Organisational systems and processes:* importance, e.g. for developing plans for customer service operations; working within budgets and balancing financial considerations, e.g. investment in staff, materials; compliance with legislation and regulatory organisations, e.g. Ofsted, Ofqual, Financial Services Authority, Office of Rail Regulator, Ofcom; balancing needs of organisation, e.g. role of regulations with setting standards, ensuring parity across sector, ensuring range of services offered, consumer protection, health and safety, equal opportunities and discrimination, data protection; surpassing customer needs and/or expectations, providing a personal service

*Customer service policies:* types, e.g. staff training, handling customer queries and/or complaints, keeping customer records, updating customers; procedures for improving or introducing new products and/or services; pricing strategies; adapting policies and procedures to find solutions to customer problems; communication within organisation; completing financial transactions; importance of developing a customer service strategy, e.g. to gain a competitive advantage, ensure customer satisfaction; contributing to the ethical and values base of the organisation, e.g. sourcing raw materials, reducing carbon emissions, fair trade; being consistent with organisational practice; using ethics base as part of customer service promise; impacts of unethical behaviour, e.g. reduction in customers; recommending changes to policies and procedures

## 2 Understand how to manage recruitment and training to support customer service

*Skills to deliver effective customer service:* personal skills; importance of interpersonal communications, e.g. body language, active listening, questioning, assertiveness, successful negotiation; personal presentation; professional skills; the importance of coaching and mentoring staff; using occupational standards to identify competencies, product knowledge

*Recruitment and selection:* scope of job role; meeting organisational policies and procedures for recruitment and selection; employment legislation relating to pay, discrimination, equality, contractual terms and conditions

*Training and development:* importance of staff development in customer service delivery, e.g. to improve customer service, implementing standards, to maintain team focus, to motivate; identifying training needs; ways of developing the team, e.g. on-site and off-site training, identifying appropriate qualifications, making it systematic with service standards, service measurement; benefits and drawbacks of different training and development methods; reward and recognition for team members, using technology in the team to support customers, using systems and processes; supporting team, e.g. through delegation and empowerment, motivation and inspiration; assessing impact of training on customer service performance, e.g. planning appraisals, knowing team's strengths and weaknesses, providing feedback via appraisal, meetings, email, newsletter; threats to team development, e.g. high turnover, weak or authoritarian leadership, poor definition of goals; importance of developing own team leader/manager performance; relationship between staff training, experience, personality and customer service delivery

## 3 Understand the management of customer service delivery

*Customer service delivery:* the organisation's service offer; the extent and limits of the offer according to type of sector, e.g. private sector as a competitive tool, public and third sectors to provide best value; aim to be over and above what an organisation would usually do; customer service promise, e.g. several customer service offers packaged together

*Customer expectations:* meeting and exceeding expectations, e.g. anticipating customer needs, prompt and polite service, availability of products, and services, ensuring safe and hygienic products, services and environment, providing accurate and up-to-date information, ensuring appearance meets organisational profile/image

*Establishing customer service culture:* key features of a customer service culture, e.g. having a customer focus, demonstrating good customer service skills, demonstrating communication and listening skills with internal and external customers, managing change, service recovery and complaint handling; importance of maintaining customer service values and ethics, e.g. competitive advantage, enhanced public image, repeat business

*Use of technology to improve customer service delivery:* website forums for customers to access; email for quick responses to customer enquiries and requests; customer relationship management software, e.g. data-gathering tools to analyse customer behaviour; features and functionality of technology; evaluating options for using technology

#### 4 **Understand the value of monitoring, evaluating and continuous improvement in customer service delivery**

*Monitoring:* purpose, e.g. to evaluate quality of customer service, meeting organisational standards, enhanced public image, customer satisfaction; monitoring customer loyalty, e.g. repeat business, new customers; monitoring techniques, e.g. mystery shoppers, comment cards, observation; monitoring and measuring team performance, e.g. staff turnover, customer feedback via surveys, informal comments, level of complaints; benefits and drawbacks of options for monitoring performance; using financial data, e.g. turnover, repeat business; analysing statistical data; taking corrective action, e.g. supporting and developing under-performing team members, reviewing and evaluating team responsibilities and working arrangements; making recommendations and presenting information

*Risk assessment:* importance of managing risk; carrying out risk assessment and implementing it in relation to customer service problems, e.g. identifying risk in different stages of customer service process and its consequences, probability of the risk occurring; types of customer service risk, e.g. financial, reputational, health and safety, delivering sub-standard services or products; importance of identifying and assessing individual risks so that they can be classified and prioritised; identifying trends and patterns; actions to minimise risks, e.g. carrying out a cost benefit analysis, SWOT (strengths, weaknesses, opportunities, threats) analysis; developing staff awareness of identified risks

*Continuous improvement:* importance of monitoring for future performance of customer service, e.g. efficiency of operation, to bring about improvements; methods, e.g. staff training, staffing levels, employee of the month, reviewing products and services offered, loyalty schemes' assessment criteria; planning for change in competitive environment, e.g. improvements to quality of service, reliability, keeping staff by improving job satisfaction, working environment, attracting new customers, increasing turnover, complying with legal obligations; establishing collaborative partnerships and network of contacts

## Essential guidance for tutors

### Delivery

Learners are expected to enquire into the topics under discussion, to question theory and to compare and contrast theory with their professional knowledge and practice. For some learners this will mean building on existing knowledge and earlier studies, while for others it will mean drawing on experience gained in a work environment.

Delivery will be through blended learning, using business resources and class-based teaching. Standard tuition materials, texts, business simulations, exercises and formative assessments can be used. Other delivery techniques can also be used, for example practical work, role play, guest speakers, tutorials, seminars and discussion groups where personal and professional practice can be shared and discussed.

Learners are encouraged to engage in social learning to carry out practical work, discuss problems, consider experiences, work on case studies, prepare reports for presentation and carry out research on customer service management. Learners in work are expected to use their working context and roles to learn about the practical techniques associated with customer service management.

### Assessment

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.

It is important that suitable organisations are chosen for investigation so that learners can acquire the information they need to meet the assessment criteria.

Evidence can be presented as written reports or case studies, records of activities undertaken and presentations. If presentations are used, then copies of slides, handouts and presenter notes must be included, as well as learner observation records completed by the tutor.

For AC 1.1, learners will need to demonstrate that they have researched enough information to explain the relationship between management and leadership, including the skills and knowledge needed. Learners should evaluate how management and leadership styles impact on customer service by relating it to a customer service management role and responsibilities.

For AC 1.2, learners will need to consider how effective customer service depends on a combination of organisational systems and the skills of those responsible for customer service delivery. Learners should use examples from their selected organisation to explain how customer service systems and process balance customer satisfaction, financial considerations and the requirements of legislation, for example relating to consumer protection, data protection and health and safety.

For AC 1.3, learners need to evaluate the importance of developing customer service policies that support the culture and ethics of the organisation. Learners should examine the ethics and value base of their selected organisation and assess how organisational policies affect the approach to customer service while meeting the needs and objectives of the organisation.

For AC 2.1, learners need to analyse the different personal and professional skills needed for effective customer service delivery. They should complete a self-assessment of their skills and use examples from at least two different job roles involving customer service in their selected organisation, to provide a comparison of key skills and attributes for the different types of role and responsibilities.

For AC 2.2, learners need to explain the policies and procedures for recruiting and selecting staff for an identified customer service role in their selected organisation.

For AC 2.3 and AC 2.4, learners need to analyse the different methods used by an organisation to train and develop staff in customer service delivery. They should examine how training needs are identified in an organisation and assess the benefits and drawbacks of different methods used, focusing on how this contributes to effective customer service delivery. This will enable learners to explain how effective customer service delivery by staff involves a combination of skills acquired through training, experience and personality.

For AC 3.1, learners need to analyse an organisation's customer service management role and responsibilities in relation to its customer service offer, customer expectations and customer satisfaction. Learners should identify the policies and procedures used by the organisation to deliver effective customer service and continuously meet the expectations of customers in different customer service situations.

For AC 3.2 and AC 3.3, learners need to consider how customer service is used in different sectors. Examples should be given to help appraise how it is used by a commercial organisation to gain a competitive advantage and deliver a competitive service, as well as how it is used as a contribution to best value in the public or third sectors.

For AC 3.4 and AC 3.5, learners need to evaluate how customer service values and ethics are demonstrated and maintained. This will include an appraisal on the key features of a customer service culture in an organisation and the importance for the organisation of maintaining the values and ethics.

For AC 3.6, learners must analyse how technology can be used to improve customer service delivery. They should examine options for technology that will improve customer service delivery, drawing on examples to support it, such as the use of web forums for reviewing products or services.

For AC 4.1 and AC 4.2, learners need to give reasons for monitoring customer service in an organisation and consider the options for monitoring customer service performance, evaluating the benefits and drawbacks of each option.

For AC 4.3, learners need to explain how risk assessment is applied to customer service situations and problems. Learners should explain how to evaluate risk according to probability of occurrence and consequences of occurrence, and explain the techniques used for assessing financial, reputational and health and safety risks.



For AC 4.4, learners need to outline the steps an organisation takes to monitor and maintain effective delivery of customer service and evaluate how this promotes continuous improvement in customer service delivery.

For AC 4.5, learners need to explain the importance of establishing a strong network of contacts with similar interests in customer service, giving examples of collaborative partnerships.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## Indicative resource materials

### Books

Buttle F – *Customer Relationship Management: Concepts and Technologies* (2nd edition) (Butterworth-Heinemann, 2008) ISBN: 9781856175227

Cross A and Hailstone P – *Managing Customer Service* (Management Pocketbooks, 2008) ISBN: 9781903776926

Gold G, Thorpe R and Mumford A – *Leadership and Management Development* (Chartered Institute of Personnel and Development, 2010) ISBN: 9781843982449

### Journals

*Customer First* – Institute of Customer Service

*Management Today* – Haymarket Business Media

*People Management* – Chartered Institute of Personnel and Development

*Professional Manager* – Chartered Management Institute

*Training Journal* – [www.trainingjournal.com](http://www.trainingjournal.com)

### Websites

[www.instituteofcustomerservice.com](http://www.instituteofcustomerservice.com) – Institute of Customer Service, information on customer service

[www.leadershipnow.com](http://www.leadershipnow.com) – LeadershipNow, resource for articles and blogs on leadership challenges

[www.managementhelp.org](http://www.managementhelp.org) – free management library, articles and blogs on planning leadership development

[www.managers.org.uk](http://www.managers.org.uk) – Chartered Management Institute, a searchable database which members can use to access journal articles and other publications

# **Unit 21: Principles of Operational Planning**

**Unit reference number: M/506/4182**

**Level: 4**

**Credit value: 15**

**Guided learning hours: 67**

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## **Unit aim**

The aim of this unit is to give learners knowledge and understanding of the principles of operational planning, including the activities that make up operations management, the relationship between operations and business performance and the importance of administration in operations management.

## **Unit introduction**

Operational planning is an important aspect of the day-to-day running of a business.

In this unit, you will gain an understanding of the activities that make up operations management, including the main types of operations found within business, how all operational activities can be represented as systems and the characteristics which differentiate operational systems.

You will also learn about the relationship between operations and business performance, including how the operations function supports business performance, the main internal measures of success used by businesses and how internal measures of success link to business objectives.

Finally, you will gain an understanding of the importance of administration in operations management, including the relationship between operations and administrative management, the process and functional approaches to operations management, the relationship between operations and the supply chain and the link between operations and quality management.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the activities that make up operations management	1.1 Outline the main types of operations found within business 1.2 Explain how all operational activities can be represented as systems 1.3 Analyse the characteristics which differentiate operational systems
2 Understand the relationship between operations and business performance	2.1 Describe how the operations function supports business performance 2.2 Identify the main internal measures of success used by businesses 2.3 Evaluate how internal measures of success link to business objectives
3 Understand the importance of administration in operations management	3.1 Analyse the relationship between operations and administrative management 3.2 Critically compare the process and functional approaches to operations management 3.3 Analyse the relationship between operations and the supply chain 3.4 Explain the link between operations and quality management

## Unit content

### 1 Understand the activities that make up operations management

*Main types of operations:* management process; operational processes; supporting processes

*Characteristics of operational systems:* main features; advantages and disadvantages; extra functionality; across organisation use

### 2 Understand the relationship between operations and business performance

*How operations function supports business performance:* shares ideas; brings together resources and ideas to create product; improve processes; help achieve objectives; flexibility; increase collaboration

*Internal measures of success:* key performance measures; profit; increase customer base, improve customer satisfaction; increase employee satisfaction

### 3 Understand the importance of administration in operations management

*Relationship between operations and administrative management:* efficiency; access to knowledge and information

*Process approach:* measured inputs; measured outputs; Hazard Analysis of Critical Control Points (HACCP)

*Supply chain:* different people/resources/departments involved in developing a product/service through the different stages of operation; efficiency; resources; who is involved

*Operations and quality management:* reliability; efficiency; responsiveness to customers; flexibility; competitive; price; Total Quality Management

## Essential guidance for tutors

### Delivery

Learners are expected to enquire into the topics under discussion, to question theory and to compare and contrast theory with their professional knowledge and practice. For some learners this will mean building on existing knowledge and earlier studies, while for others it will mean drawing on experience gained in a work environment.

Delivery will be through blended learning, using business resources and class-based teaching. Standard tuition materials, texts, business simulations, exercises and formative assessments can be used. Other delivery techniques can also be used, for example practical work, role play, tutorials, seminars and discussion groups where personal and professional practice can be shared and discussed.

Learners are encouraged to engage in social learning to carry out practical work, discuss problems, consider experiences, work on case studies, prepare reports for presentation and carry out research on operational planning. Learners in work are expected to use their working context and roles to learn about the practical techniques associated with operational planning.

### Assessment

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.

It is important that suitable organisations are chosen for investigation so that learners can acquire the information they need to meet the assessment criteria.

Evidence can be presented as a written report or presentation. If a presentation is used, then copies of slides, handouts and presenter notes must be included, as well as learner observation records completed by the tutor.

It would be beneficial for learners to work in discussion groups, to help them gain examples based on their own and other experiences.

For learning outcome 1, learners will need to outline the main types of operations found in their selected business (AC 1.1), explain how all operational activities can be represented as systems (AC 1.2) and analyse at least three characteristics which differentiate operational systems (AC 1.3).

For learning outcome 2, learners will need to describe how the operations function supports business performance in their selected organisation (AC 2.1), identify the main internal measures of success used by their selected business (AC 2.2) and evaluate how internal measures of success link to their business objectives (AC 2.3).

For learning outcome 3, learners will need to analyse the relationship between operations and administrative management (AC 3.1), critically compare the process and functional approaches to operations management in their selected organisation (AC 3.2), analyse the relationship between operations and the supply chain (AC 3.3) and explain the link between operations and quality management (AC 3.4).

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

## **Indicative resource materials**

### **Website**

[www.leoisacc.com/operations/index.htm](http://www.leoisacc.com/operations/index.htm) – online resources for Sports Management, a section of the website is dedicated to operational planning



## **Unit 22: Managing Information and Knowledge**

**Unit reference number:** F/506/4218

**Level:** 4

**Credit value:** 15

**Guided learning hours:** 72

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### **Unit aim**

The aim of this unit is to give learners knowledge and understanding of the importance of managing the flow of information and knowledge in an organisation.

### **Unit introduction**

Information and work-based knowledge are the most valuable resources that an organisation possesses. The effective gathering, protection, analysis, processing and dissemination of information are vital to the success of any organisation. Organisations must ensure that their information systems are reliable, efficient and able to cope with rapid change. This unit is designed to develop knowledge and understanding of managing information and knowledge in an organisation.

In this unit, you will learn how to manage information and knowledge within organisations, including the relationship between data, information and knowledge and the benefits information and knowledge management brings to organisations.

You will also learn about the role of ICT in managing information and knowledge, including how ICT affects organisational communication and how ICT can be used to disseminate knowledge throughout the organisation.

Finally, you will gain an understanding about the links between knowledge management strategy and competitive advantage, including the importance of maintaining a learning culture in a changing environment, how knowledge management strategies and processes facilitate and support organisational learning and the relationship between organisational learning and competitive advantage.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the need to manage information and knowledge within organisations	<ul style="list-style-type: none"><li>1.1 Analyse the main features of information management</li><li>1.2 Explain the relationship between data, information and knowledge</li><li>1.3 Analyse the concept of knowledge management</li><li>1.4 Analyse the benefits information and knowledge management brings to organisations</li></ul>
2 Understand the role of ICT in managing information and knowledge	<ul style="list-style-type: none"><li>2.1 Describe the types and nature of organisational information systems</li><li>2.2 Explain how information and communication technology (ICT) affects organisational communication</li><li>2.3 Evaluate how ICT can be used to disseminate knowledge throughout the organisation</li></ul>
3 Understand the links between knowledge management strategy and competitive advantage	<ul style="list-style-type: none"><li>3.1 Explain the role and importance of knowledge for organisations</li><li>3.2 Analyse the importance of maintaining a learning culture in a changing environment</li><li>3.3 Evaluate how knowledge management strategies and processes facilitate and support organisational learning</li><li>3.4 Evaluate the relationship between organisational learning and competitive advantage</li></ul>

## Unit content

### 1 Understand the need to manage information and knowledge within organisations

*Information management:* definition; organisation; controlling; processing; reporting; maintaining; paper-based; electronic

*Relationship between data, information and knowledge:* pyramid; overlap

*Knowledge management:* definition; capturing; developing; sharing; link to organisational objectives; models, e.g. Nonaka and Takeuchi

*Benefits of information and knowledge management:* learning culture; improves decision making; organisations chance of success increases; use expertise across organisation; increase revenue; collaboration increase; help manage change; help prepare for the future

### 2 Understand the role of ICT in managing information and knowledge

*Organisational information systems:* different systems for different levels/needs; input, process, output; Transaction Process Systems (TPSs); Management Information Systems (MIS); Executive Information Systems (EISs); Decision Support Systems (DSSs)

*How ICT affects organisational communication:* most communication is electronic; impersonal; more efficient; resources; lower cost; quicker response

*How ICT can be used to disseminate knowledge:* storage; circulate; shared areas to centralise knowledge, e.g. intranet, server; store reliable and valid knowledge

### 3 Understand the links between knowledge management strategy and competitive advantage

*Role and importance of knowledge:* improves performance; collaborative culture; increases innovation in employees; problems solved quicker; evaluation on previous problems and solutions

*Maintaining a learning culture:* motivation; staff retention; learning and development; understanding and appreciation of other areas of the organisation; help manage change; increase productivity; increase revenue

*How knowledge management strategies and processes facilitate and support learning:* encourage collaboration; encourage own research to find the answer; encourage sharing

## Essential guidance for tutors

### Delivery

Learners are expected to enquire into the topics under discussion, to question theory and to compare and contrast theory with their professional knowledge and practice. For some learners this will mean building on existing knowledge and earlier studies, while for others it will mean drawing on experience gained in a work environment.

Delivery will be through blended learning, using business resources and class-based teaching. Standard tuition materials, texts, business simulations, exercises and formative assessments can be used. Other delivery techniques can also be used, for example practical work, role play, tutorials, seminars and discussion groups where personal and professional practice can be shared and discussed.

Learners are encouraged to engage in social learning to carry out practical work, discuss problems, consider experiences, work on case studies, prepare reports for presentation and carry out research on managing information and knowledge. Learners in work are expected to use their working context and roles to learn about the practical techniques associated with managing information and knowledge.

### Assessment

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.

It is important that suitable organisations are chosen for investigation so that learners can acquire the information they need to meet the assessment criteria.

Evidence can be presented as a written report or presentation. If a presentation is used, then copies of slides, handouts and presenter notes must be included, as well as learner observation records completed by the tutor.

Working in discussion groups for this unit, will enable the learner to use examples base on their own and other personal experience.

For learning outcome 1, learners will focus on the need to manage information and knowledge with in organisations. Using either their own organisation or an organisation that has been selected for them, learners will need to analyse the main features of information management (AC 1.1), explain the relationship between data, information and knowledge (AC 1.2), analyse the concept of knowledge management (AC 1.3) and analyse at least three benefits information and knowledge management brings to organisations (AC 1.4).

For learning outcome 2, learners will need to begin by describing the types and nature of organisational information systems (AC 2.1). They can then, using examples, explain how ICT affects organisational communication (AC 2.2) and evaluate how ICT can be used to disseminate knowledge throughout the organisation (AC 2.3).

Focusing on their selected organisation for learning outcome 3, learners will need to explain the role and importance of knowledge for organisations (AC 3.1), analyse, with examples, the importance of maintaining a learning culture in a changing environment (AC 3.2), evaluate how knowledge management strategies and processes facilitate and support organisational learning (AC 3.3) and evaluate the relationship between organisational learning and competitive advantage (AC 3.4).

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

## **Indicative resource materials**

### **Books**

Cornellison J – *Corporate Communication: A Guide to Theory and Practice* (Sage Publications, 2008) ISBN: 9781847872463

Davenport T and Prusak L – *Working Knowledge: How Organizations Manage What They Know* (Harvard Business School Press, 2000) ISBN: 9781578513017

### **Websites**

[www.managementhelp.org](http://www.managementhelp.org) – free management library, links to articles on communication

[www.thetimes100.co.uk](http://www.thetimes100.co.uk) – The Times 100, case studies on managing information and knowledge



# **Unit 23: Human Resource Management**

**Unit reference number:** L/506/4206

**Level:** 4

**Credit value:** 5

**Guided learning hours:** 38

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## **Unit aim**

The aim of this unit is to give learners an introduction to the concepts and practices of human resource management and focuses on the management of recruitment, retention and employment cessation.

## **Unit introduction**

The success of an organisation depends to a great degree on recruiting the right people. The human resource management process is important as it contributes to the achievement of organisational goals through ensuring that staff of the right calibre are selected to fill vacancies. While they are on the payroll, staff must make a valued contribution to the work of the organisation. Eventually they will leave, more often than not because they find alternative employment or retire.

Occasionally, employment has to be terminated. However, the focus of human resource management has moved beyond personnel management towards a more proactive approach that, in addition to the traditional roles associated with staff management, also considers how to get the best people and the best out of people so that they work in roles and in ways that are closely aligned to organisational objectives. This often leads to the commonplace assertion by many senior managers that 'our employees are our most valuable resource'. In this unit, you will consider how human resource management deals with these aspects of working.

Human resource management takes place against a background of organisational needs, policies and procedures, shaped by legal and regulatory requirements. In this unit, you will learn about UK, national and European legislation.

Organisations with effective human resource management policies, processes and practices in place will have fully-committed, skilled employees who contribute effectively to the organisation and in competitive contexts this is a significant contribution in maintaining a competitive advantage.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the role of human resource management	<ul style="list-style-type: none"><li>1.1 Explain the difference between personnel management and human resource management</li><li>1.2 Analyse the function of human resource management in contributing to the purpose of the organisation</li><li>1.3 Evaluate the roles and responsibilities of line managers in human resource management</li><li>1.4 Assess the impact of the legal and regulatory framework on human resource management</li></ul>
2 Understand how to recruit employees	<ul style="list-style-type: none"><li>2.1 Analyse the reasons for human resource planning in organisations</li><li>2.2 Describe the stages involved in planning human resource requirements</li><li>2.3 Analyse the recruitment and selection process</li></ul>
3 Understand how to reward employees in order to motivate and retain them	<ul style="list-style-type: none"><li>3.1 Examine the methods organisations use to monitor employee performance</li><li>3.2 Assess the link between motivational theory and reward</li><li>3.3 Evaluate the effectiveness of reward systems in organisations</li></ul>
4 Understand the mechanisms for cessation of employment	<ul style="list-style-type: none"><li>4.1 Identify the reasons for cessation of employment</li><li>4.2 Describe employment exit procedures</li><li>4.3 Assess the impact of the legal and regulatory framework on employment cessation arrangements</li></ul>



## Unit content

### 1 Understand the role of human resource management

*Personnel management and human resource management:* definitions; development of personnel management; change in contexts leading to human resource management (HRM); similarities and differences between personnel management and HRM; models of HRM, e.g. Guest, Storey

*Human resource management function:* tasks, e.g. selection, recruitment, payroll administration, employee motivation, reward management, employment termination; training and development; performance management, e.g. planning, monitoring, recording, actioning; employee relations; working in partnership with functional areas; involvement of line managers, e.g. selection, recruitment, training, coaching, mentoring, appraisal, grievance, discipline, termination; ethical issues; equality of opportunity

*Employment legislation:* Sex Discrimination Act 1995/97; Race Relations Act 1992; Race Relations Amendment Act 2000; Equal Pay Act 1970; Equality Act 2010; European Working Time Directive; Employment Act 2008; Employment Relations Act 2004; Work and Families Act 2006; national minimum wage; Data Protection Act 1998; employment tribunals

### 2 Understand how to recruit employees

*Human resource planning:* definition, links to organisational purposes, organisational strategy, senior management; purpose, e.g. increased volume of business, changes to the required skill sets, employee turnover; labour cost control; time horizon, e.g. short term, medium term, long term; internal planning factors, e.g. organisational needs, demand for products and services, new products and services, new markets, technological change, location of production; workforce profiles, e.g. age, gender, ethnicity, ability, skills; external planning factors; supply and demand for labour, e.g. local, national, international; government policy; labour market competition; changing nature of work; impact of technology

*Recruitment and selection:* recruitment policies; recruitment procedures; aims and objectives of the selection process; job analysis; job description, e.g. purpose, standard formats, responsibilities; scope of post, e.g. education and qualifications, experience; person specification, e.g. purpose, standard formats, job title, location in management line; essential and desirable attributes; recruitment methods, e.g. advertising vacancies, application methods including web-based methods, agencies, headhunters; interviews; assessment centres; tests, e.g. psychological, psychometric, aptitude, practical; CVs; letters of application; references

### **3 Understand how to reward employees in order to motivate and retain them**

*Monitoring:* probation; appraisal, feedback; performance indicators, achievement against targets; goal theory; SMART (specific, measurable, achievable, realistic, time-based) targets, e.g. sales, growth, financial, waiting times, pass rates, punctuality, attendance; benchmarking

*Motivation:* theories of motivation, e.g. Taylor, Mayo, Maslow, Herzberg, McGregor, McClelland, Vroom; relationship between motivation theories and reward; employee involvement techniques; membership of work groups board; works councils quality circles; intra-organisational groups, e.g. transnational, national, site specific; devolved authority and responsibility; open communications; organisational culture, ethos, values, mission; national accreditation, e.g. Investors in People (IIP), Charter Mark, International Standards Organisation (ISO)

*Reward management:* job evaluation; factors determining pay; reward systems; performance-related pay; pension schemes; profit sharing; employee share options; mortgage subsidies; re-location fees; bonuses; company vehicles; loans and advances; childcare; school fees; corporate clothes; staff discounts; flexible working; leave; health care; extended parental leave; career breaks; cafeteria incentive schemes; salary sacrifice schemes; contracts of employment

### **4 Understand the mechanisms for cessation of employment**

*Reasons:* dismissal, e.g. wrongful, unfair, justified; termination of employment, e.g. resignation, retirement, termination of contract; redundancy; redeployment; retraining

*Management of exit:* procedures, e.g. retirement, resignation, dismissal, redundancy; legal and regulatory framework; counselling; training; employment tribunals, e.g. role, composition, powers and procedures

## Essential guidance for tutors

### Delivery

Learners are expected to enquire into the topics under discussion, to question theory and to compare and contrast theory with their professional knowledge and practice. For some learners this will mean building on existing knowledge and earlier studies, while for others it will mean drawing on experience gained in a work environment.

Delivery will be through blended learning, using business resources and class-based teaching. Standard tuition materials, texts, business simulations, exercises and formative assessments can be used. Other delivery techniques can also be used, for example practical work, role play, guest speakers, tutorials, seminars and discussion groups where personal and professional practice can be shared and discussed.

Learners are encouraged to engage in social learning to carry out practical work, discuss problems, consider experiences, work on case studies, prepare reports for presentation and carry out research on human resource management. Learners in work are expected to use their working context and roles to learn about the practical techniques associated with human resource management.

### Assessment

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.

It is important that suitable organisations are chosen for investigation so that learners can acquire the information they need to meet the assessment criteria.

Evidence can be presented as written reports or presentations. If presentations are used, then copies of slides, handouts and presenter notes must be included, as well as learner observation records completed by the tutor.

For AC 1.1, learners need to show that they understand the development of the HRM concept by explaining the differences with personnel management. For AC 1.2, learners need to analyse HR functions in a selected organisation, preferably their own workplace, to assess how they contribute to organisational purposes. This will lead to AC 1.3, where learners will draw on the role and responsibilities of line managers in HRM, again using supporting examples from a selected organisation. For AC 1.4, learners need to assess the impact of the legal and regulatory framework on HRM. They will need to outline the purpose of current employment legislation when recruiting staff and analyse how legislation is incorporated into organisational policies and procedures, relating it to a selected organisation. Evidence for learning outcome 1 could be in the form of a report, briefing document, or presentation.

For learning outcome 2, learners will need to understand the reasons why vacancies occur and be able to analyse the factors that influence organisations when they plan their human resources. For AC 2.1, learners should examine how an organisation is developing and how changes that may arise from internal decisions and external events can affect the direction the organisation is moving in. For example, there may be a gap between the demand for and supply of particular skills. This can link with AC 2.2 to describe the stages involved in planning the human resource requirements for the organisation from the business strategy through to resourcing plans. To meet AC 2.3, learners need to analyse the recruitment and selection process. Evidence can be in the form of a detailed report that covers a range of aspects of the recruitment and selection process in a selected organisation.

For AC 3.1 and AC 3.3, learners could research a suitable organisation, such as their workplace, or use a case study to examine the methods organisations use to monitor employee performance and the effectiveness of reward systems.

For AC 3.2, learners will show how the ideas from theorists on motivation have shaped the way that organisations motivate their employees. Some reward systems emphasise payments by results and are influenced more by ideas of scientific management and Taylorism. Other reward systems emphasise the personal and social nature of motivation and draw on ideas from Maslow and Herzberg. Learners need to assess the link between motivational theory and reward, showing how motivation affects employee performance, as it is clear that employees value aspects of working other than just the pay they receive. Learners also need to evaluate the effectiveness of reward systems in a selected organisation.

For learning outcome 4, learners need to research at least three different reasons for cessation of employment, such as dismissal and redundancy, and describe the employment exit procedures followed by a selected organisation, considering how the legal and regulatory framework impacts on these employment cessation arrangements.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## **Indicative resource materials**

### **Books**

Armstrong M – *Armstrong's Handbook of Human Resource Management Practice* (12th edition) (Kogan Page, 2012) ISBN: 9780749465506

Lewis D, Sargeant M and Schwab B – *Employment Law: The Essentials* (11th edition) (CIPD, 2011) ISBN: 9781843982623

Mankin D – *Human Resource Development* (OUP Oxford, 2009)  
ISBN: 9780199283286

Slocombe M – *Employment Law Made Easy* (12th edition) (Lawpack, 2012)  
ISBN: 9781907765773

### **Journals**

*People Management* – HR news magazine from the Chartered Institute of Personnel and Development (CIPD)

*Personnel Review* – Emeraldinsight.com

*Personnel Today* – Chartered Institute of Personnel and Development (CIPD)

### **Websites**

[www.investorsinpeople.co.uk](http://www.investorsinpeople.co.uk) – Investors in People, the standard for developing staff

[www.personneltoday.com](http://www.personneltoday.com) – *Personnel Today*, HR jobs, articles, networking and statistics



# **Unit 24: Principles of Business Skills Needed for Proposals and Pitches**

**Unit reference number:** F/506/4221

**Level:** 4

**Credit value:** 12

**Guided learning hours:** 68

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## **Unit aim**

The aim of this unit is to provide learners with an understanding of the concepts and skills involved in the development and implementation of a business idea through the practical application of relevant theories.

## **Unit introduction**

This is a broad-based unit which focuses on the application of business concepts in a practical context. Learners will understand the academic and business skills involved in researching a market, analysing data and making informed decisions.

In this unit, you will be required to develop a business idea by identifying a gap in the market. Through this process, you will practice and further develop skills in market research and data analysis. You will then consider the market environment for your chosen product and/or service using a variety of business tools, for example PESTLE analysis and Porter's Five Forces.

Next, you will understand how to create a business proposal and analyse the importance of checking the proposal with the customer or department that it affects and then circulate the proposal for consideration.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand ways of researching and analysing a market	<ul style="list-style-type: none"><li>1.1 Analyse the importance of using appropriate online resources, including market and industry reports, when conducting market research</li><li>1.2 Evaluate the importance of analysing current trends in a market</li><li>1.3 Evaluate the importance of establishing the strengths and weaknesses of a potential product or service</li></ul>
2 Understand the areas that need to be analysed before starting a business proposal	<ul style="list-style-type: none"><li>2.1 Evaluate the importance of including a PESTLE analysis on the macro-environment in a proposal</li><li>2.2 Explain why a target market should be identified</li><li>2.3 Explain Porter's Five Forces</li><li>2.4 Evaluate the importance of analysing the micro-environment in a proposal</li></ul>
3 Understand how to create a business proposal	<ul style="list-style-type: none"><li>3.1 Describe the sections that need to be included in a business proposal</li></ul>
4 Understand the importance of checking the business proposal and circulating to the appropriate people	<ul style="list-style-type: none"><li>4.1 Analyse the importance of checking the business proposal with the customer/department that it affects</li><li>4.2 Explain who a business proposal is circulated to</li></ul>



## Unit content

### 1 Understand ways of researching and analysing a market

*Market research:* market share; growth; market trends; market reports; industry profiles; data

*Current trends in market:* new products/services; old products/services being withdrawn; new marketing techniques; competitors leaving market; new competitors joining the market

*Importance of establishing strengths and weaknesses of a potential product or service:* make improvements, changes that are appropriate; understanding costings and resources; marketing strategy

### 2 Understand the areas that need to be analysed before starting a business proposal

*Macro-environment:* PESTLE analysis (political, economic, social, technological, environmental, legal); external factors; uncontrollable factors; market potential

*Target market:* market segmentation (geographic, demographic, psychographic and behavioural); positioning

*Porter's Five Forces:* factors that affect an organisations ability to serve its customers and make a profit; factors (supplier power, threat of substitution, buyer power, threat of new entry, competitive rivalry)

*Micro-environment:* challenges inside a company, e.g. resource, marketing, suppliers

*Business proposal:* factors to consider for robustness, e.g. competitors (direct and indirect market share), strengths and weaknesses, research and analysis of proposal

### 3 Understand how to create a business proposal

*Business proposal:* outline problem; analysis, e.g. PESTLE, SWOT; solution and intended outcome; impact on other departments/products/services; costings; resources needed

### 4 Understand the importance of checking the business proposal and circulating to the appropriate people

*Importance of checking business proposals with the customer/department that it affects:* ensure the proposal can be done; check timescales are appropriate; check outcomes are correct

## Essential guidance for tutors

### Delivery

Learners are expected to enquire into the topics under discussion, to question theory and to compare and contrast theory with their professional knowledge and practice. For some learners this will mean building on existing knowledge and earlier studies, while for others it will mean drawing on experience gained in a work environment.

Delivery will be through blended learning, using business resources and class-based teaching. Standard tuition materials, texts, business simulations, exercises and formative assessments can be used. Other delivery techniques can also be used, for example practical work, role play, guest speakers, tutorials, seminars and discussion groups where personal and professional practice can be shared and discussed.

Learners are encouraged to engage in social learning to carry out practical work, discuss problems, consider experiences, work on case studies, prepare reports for presentation and carry out research on business skills needed for proposals and pitches. Learners in work are expected to use their working context and roles to learn about the practical techniques associated with business skills needed for proposals and pitches.

### Assessment

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.

It is important that suitable organisations are chosen for investigation so that learners can acquire the information they need to meet the assessment criteria.

Evidence can be presented as a written business proposal or presentation. If a presentation is used, then copies of slides, handouts and presenter notes must be included, as well as learner observation records completed by the tutor.

At the start of this unit, learners could be given a proposal for a new potential product. Learners could begin by analysing current trends in the market (AC 1.2) and evaluating the importance of establishing strengths and weaknesses of the potential product (AC 1.3). During this research, the learner will need to analyse the importance of using appropriate online resources, including market and industry reports.

Learners could begin by setting out their business proposals, highlighting the different sections that will need to be completed (AC 3.1). This can then be developed for learning outcome 2.

Learners can complete a PESTLE analysis on the macro-environment for their potential product (AC 2.1), identify their target market (AC 2.2) and analyse Porter's Five Forces as part of the micro-environment (AC 2.4). By analysing and identifying these areas the learner will also be evaluating the importance of these areas.

For assessment criterion 2.3, learners will need to explain Porter's Five Forces.

For learning outcome 4, learners will need to analyse the importance of checking the business proposal with the customer and/or department that it affects (AC 4.1) and explain who a business proposal is circulated to (AC 4.2).

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed

## **Indicative resource materials**

### **Books**

Forsyth P – *Persuasive Writing for Business: How to Write Proposals, Letters, Emails and Other Business Communications to Influence, Impress and Persuade* (Book Shaker, 2014) ISBN: 9781781331026

Lewis H – *Bids, Tenders and Proposals: Winning Business Through Best Practice (Bids, Tenders & Proposals: Winning Business Through Best Practice)* (4th edition) (Kogan Page, 2012) ISBN: 9780749465605



# **Unit 25: Managing Personal and Professional Development**

**Unit reference number:** Y/506/4452

**Level:** 4

**Credit value:** 6

**Guided learning hours:** 20

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## **Unit aim**

The aim of this unit is to give learners an understanding of the need for personal and professional development. The unit also provides an introduction to the concept of implementing and monitoring personal professional development plans.

## **Unit introduction**

Success as a manager requires both the development of professional and personal skills that support working effectively in the interests of the business. If you continuously develop your skills and knowledge then this will help you to be fully prepared to achieve goals or to approach changes in the workplace.

In this unit you will learn about the trends and developments that are currently influencing the need for the development of personal and professional skills. This unit will provide the opportunity for you to explore the importance of ensuring that your personal professional development plan reflects your personal values and goals as well as those of your employer. You will consider how to use professional networks and professional bodies to assist your development as well as how to set development objectives and devise a plan to achieve the targets you have set yourself. You will go on to explore the value of constructive feedback and how to review and monitor your progress as you implement your personal professional development plan.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the factors which influence the need for personal and professional development	<ul style="list-style-type: none"><li>1.1 Analyse trends and developments in management that influence the need for professional development</li><li>1.2 Explain the importance of own values, career and personal goals in planning professional development</li><li>1.3 Analyse how changes in the work environment impact on the requirement for professional and personal development</li><li>1.4 Assess the benefits of planning own professional development</li></ul>
2 Understand how to plan for personal and professional development	<ul style="list-style-type: none"><li>2.1 Assess the value of professional networks and professional bodies in professional development</li><li>2.2 Describe how to develop an effective personal development plan</li><li>2.3 Explain the different learning styles and how they contribute to personal development planning</li><li>2.4 Explain how development activities are prioritised for personal and professional development</li><li>2.5 Assess the effectiveness of different development activities in improving personal performance</li></ul>
3 Understand how to implement and monitor a personal professional development plan	<ul style="list-style-type: none"><li>3.1 Explain how to implement a personal development plan</li><li>3.2 Assess the value of constructive feedback in implementing and monitoring the development plan</li><li>3.3 Explain how to monitor personal development and progression against objectives</li></ul>

## Unit content

### 1 Understand the factors which influence the need for personal and professional development

*Factors:* globalisation, technology change, sustainability, corporate social responsibility, study of psychology, e.g. goal theory, motivation theories, change models, business ecosystems, e.g. Google, Facebook, Silicon Roundabout/Tech City; fast pace of change; longer working lives

*Developments in management:* e.g. collective leadership and staff empowerment; diversity and inclusion in management; talent management; knowledge management; innovation

*Impact of personal factors:* own values, e.g. congruence of individual and organisational values, impact of congruence on commitment and work satisfaction (Taylor Cox); career goals, e.g. promotion, remuneration, professional qualification; personal goals, e.g. job satisfaction, fulfilment, work-life balance, social interaction with colleagues; goal congruence leads to improved morale, high performance standards, high levels of motivation

*Changes in the work environment:* organisational restructuring; downsizing; growth; succession planning; talent management; process improvements; outsourcing; off-shoring; on-shoring; product development; new materials development

*Benefits of planning own professional development:* allocate resources; ready to take opportunities that arise; attract support of others; opportunity for reflection and research; increase own commitment; increase own employability; contribute to own work effectiveness; support achievement of business objectives

### 2 Understand how to plan for personal and professional development

*Professional networks:* building links to help achieve aims; principles, e.g. give before receiving, build trust and reputation, seek groups relevant to aims, plan networking, maintain network, deliver on commitments and promises, be positive, sustained focused effort, life balance; value of professional networks, e.g. increased knowledge, support for professional development, meet like-minded people; ideas and insights, possible career openings

*Professional bodies:* value, e.g. networking opportunities; learning opportunities through meetings; access to learning resources via libraries and resource banks; professional status; professional codes of practice or standards; enhance reputation of profession; represent profession, e.g. lobbying government ministers

*Develop a personal and professional development plan:* analyse current job role requirements, e.g. knowledge, understanding, skills; analyse requirements of aspirational role; use of tools such as skills audits, personal SWOT (strengths, weaknesses, opportunities, threats); analysis against National Occupational Standards (NOS); identify gaps in knowledge, understanding and skills; determine priorities; set learning objectives in SMART form (specific, measurable, achievable, resourced, timed); determine activities to achieve learning objectives

*Learning styles:* models such as Kolb's learning style inventory; Fleming's VARK (visual, aural, read/write, kinaesthetic); Honey and Mumford's model (activist, reflector, theorist, pragmatist); purpose of model for informing selection of learning methods

*Prioritising development activities:* urgent versus important; 'urgent' factors, e.g. organisational objectives, own current job role requirements, skill shortage; 'important' factors, e.g. work towards long-term career objectives; development needed to fulfil medium/long term organisational objectives, assisting line manager in determining priorities

*Assess effectiveness of development activities:* Kirkpatrick's four levels of evaluation model, e.g. reaction of the learner to the training, learning or increase in knowledge, behaviour or capability improvement; results or effect on the business

### **3 Understand how to implement and monitor a personal professional development plan**

*Implementing a personal professional development plan:* develop written plan; share/agree with manager/mentor; schedule development activities; reflect on learning experiences; modify planned activities as needed

*Constructive feedback:* specific; issue based; respectful; observation based; invites recipient to discuss

*Value of feedback:* learn from successes and mistakes; aids development; encourages further learning

*Monitoring personal development:* schedule time for monitoring; arrange manager or mentor support; collect feedback; consider and reflect on feedback; review progress against learning objectives; revise planned activities as needed; revise learning objectives as needed; evaluate benefits from achieving objectives; record decisions



## Essential guidance for tutors

### Delivery

The learning outcomes in this unit can be delivered flexibly. 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 effective professional development planning practices. 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 planning and implementing personal and professional development processes.

To introduce the unit, it could be useful for learners to conduct research into factors that influence the need for personal and professional development. For learning outcome 1, tutor input on the concepts of personal and professional development 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. Learning outcome 2 would be suitable for learners to undertake practical planning activities and research, focusing on their own development planning 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 development experiences whether as the leader/manager or as an individual undertaking the development process in relation to the assessment criteria. For learning outcome 3, a guest speaker with a human resource/professional development background could be used to introduce the topic by presenting an insight into implementing and monitoring development plans. This can then be followed up with 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 which 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' and 'assess' 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 or analysed as required. Research sources used must be attributed and at this level referencing to sources is required.

If the learner is working concurrently towards a competence-based qualification and has to produce a personal development plan, then it would be beneficial for the assessment of this part of the two qualifications to be planned together.

Learning outcome 1 is about understanding why all managers need to be continuously undertaking personal development so this may be well placed at an early stage in the learner's development of their own plan. However it does require some maturity of perspective and knowledge of working life so in some cases it may be best left until a later stage. The assessment of the benefits of planning own professional development for AC1.4 should show evaluation skills such as using data from different sources, weighing up its value and relevance and drawing the findings together so as to make a soundly-based assessment. Learning outcome 2 is about knowing how to plan for personal and professional development and could be addressed if the learner is at the point of developing their own plan for work, another qualification or as a useful personal development exercise. AC2.1 and AC2.5 require the learner to 'assess' so a description would not be an adequate response. The assessment methods need to allow the learner time to reflect and make judgements.

For learning outcome 3, the learner needs to show they understand how to implement and monitor a personal professional development plan. If the learner is working on a personal professional development plan then it could be assessed at time the learner is implementing and monitoring the plan, or some learners may prefer to finish it off soon after then have studied for the rest of the unit.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## Resources

### Books

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

Gold G, Thorpe R and Mumford A – *Leadership and Management Development*, 5th edition (CIPD, 2010) ISBN: 9781843982449

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

O'Neill-Blackwell J – *Engage: The Trainer's Guide to Learning Styles* (John Wiley and Sons, 2012) ISBN 9781118029435

Pedler M – *A Manager's Guide to Self Development*, 5th edition (McGraw-Hill, 2006) ISBN: 9780077114701

### Websites

[www.businessballs.com](http://www.businessballs.com) – includes information and advice on networking, Kirkpatrick's model and learning styles

[www.cipd.co.uk/cpd](http://www.cipd.co.uk/cpd) – the Chartered Institute of Personnel and Development – offers relevant resources on CPD (continuing professional development)

[www.managementhelp.org](http://www.managementhelp.org) – a free management library with articles on personal and professional development

[www.managers.org.uk](http://www.managers.org.uk) – the website of the Chartered Management Institute, offers information on a number of management and development issues

### Other

Evan Davis *The Bottom line* podcast – *Self-Improvement*, (27/02/14), available from [www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all)

[www.ibtimes.com/5-most-prominent-management-trends-21st-century-271373](http://www.ibtimes.com/5-most-prominent-management-trends-21st-century-271373) - article summarising Harvard Business School report on the five most prominent current trends in management



# **Unit 26: Understanding Organisational Structure, Culture, and Values**

**Unit reference number:** T/506/4457

**Level:** 4

**Credit value:** 6

**Guided learning hours:** 20

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## **Unit aim**

The aim of this unit is to give learners an understanding of the development and role that the structure of an organisation plays in its effectiveness and the importance of an organisations' culture in the achievement of high performance. The unit also provides an introduction to the relationship between organisational values and organisational culture and behaviour.

## **Unit introduction**

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.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the development and role of organisational structures in organisational effectiveness	<ul style="list-style-type: none"><li>1.1 Compare the use of different types of formal organisational structures</li><li>1.2 Analyse the factors affecting the development of a formal organisational structure</li><li>1.3 Assess the extent to which informal organisational structures contribute to achieving organisational effectiveness</li></ul>
2 Understand how organisational culture is developed and the value of a high-performance culture	<ul style="list-style-type: none"><li>2.1 Examine the factors influencing the development of organisational culture</li><li>2.2 Evaluate the influence of different groups of stakeholders on organisational culture</li><li>2.3 Analyse the different types of organisational cultures</li><li>2.4 Analyse the features of a high-performance organisational culture</li><li>2.5 Explain how organisational cultural analysis can be used to align organisational culture to strategy</li></ul>
3 Understand the relationship between organisational values and organisational culture and behaviour	<ul style="list-style-type: none"><li>3.1 Explain the concept of organisational values</li><li>3.2 Analyse the benefits to an organisation of having a set of shared values</li><li>3.3 Examine the relationship between organisational values and organisational culture</li><li>3.4 Analyse different models of organisational behaviour</li><li>3.5 Assess the impact of organisational culture and values on team and individual behaviour in an organisation</li></ul>

## Unit content

### 1 Understand the development and role of organisational structures in organisational effectiveness

*Organisational structures:* line, line and staff, matrix, team; mechanistic versus organic; centralised versus decentralised; flat versus tall

*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

*Grouping of work:* function, product or service, location, nature of work, common timescales, 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

### 2 Understand how organisational culture is developed and the value of a high-performance 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

*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

*Stakeholders:* owners, customers, managers, staff, suppliers, employer bodies, employee bodies, local community, government

*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)

*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

### **3 Understand the relationship between organisational values and organisational culture and behaviour**

*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

*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'

*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

*Models of organisational behaviour:* autocratic, custodial, supportive, collegial (Cunningham, Eberle); co-existence of different models in one 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



## Essential guidance for tutors

### Delivery

The learning outcomes in this unit can be delivered flexibly. 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 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 working concurrently towards a competency-based qualification in management and leadership, then a holistic approach to the assessment of similarly-themed units within 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 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.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## Resources

### Books

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

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

Mullins L J – *Management and Organisational Behaviour*, 10th edition  
(F T Publishing International, 2013) ISBN 9780273792642

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

### Websites

[www.cipd.co.uk](http://www.cipd.co.uk) – the Chartered Institute of Personnel and Development,  
information on how to get a booklet on staff wellbeing

[www.managers.org.uk](http://www.managers.org.uk) – Chartered Management Institute, has some learning  
resources and articles on organisational cultures, values and communication

[www.mindtools.com](http://www.mindtools.com) – learning resources to support development of organisational  
cultures, values and communication

[www.thebodyshop.com/search/search.aspx?Search=values&orderdesc=true](http://www.thebodyshop.com/search/search.aspx?Search=values&orderdesc=true) –  
Body Shop page showing its values

### Other

Evan Davis *The Bottom Line* podcast – *Transformation* (13/03/14), available from  
[www.bbc.co.uk/podcasts/series/bottomline/all](http://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](http://www.bbc.co.uk/podcasts/series/worldbiz/all)



# **Unit 27: Stakeholder Engagement and Management**

**Unit reference number:** T/506/4460

**Level:** 4

**Credit value:** 4

**Guided learning hours:** 13

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## **Unit aim**

The aim of this unit is to give learners an understanding of the importance of stakeholder engagement to an organisation and the expectations that different stakeholder groups may have. The unit also provides an introduction to strategies and methods for developing and improving stakeholder relationship management.

## **Unit introduction**

People who work at any level within an organisation need to engage with stakeholders in order to successfully perform their job role. The most effective stakeholder engagement happens when there is communication between stakeholders and relationships are built.

The term 'stakeholder' includes many different groups of people including customers, staff, suppliers and regulators whose needs and contributions can be very different and yet whose cooperation and collaboration can be of immense value to the organisation.

In this unit you will have the opportunity to learn how organisations identify, analyse and manage their interactions with stakeholders. You will explore the importance to the organisation of engaging with its stakeholders and how to manage the process. You will consider the different groups of stakeholders and their interests and expectations. You will learn about the tools and techniques to analyse the different stakeholder needs and how the results of this analysis influence the stakeholder engagement plan. You will consider the risks associated with stakeholder engagement and how to mitigate them. You will go on to consider strategies for managing stakeholder groups that have competing interests and how to promote collaborative relationships with stakeholders. Finally, you will consider the importance of monitoring stakeholder management activities to ensure that objectives are achieved.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment 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.

**On completion of this unit a learner should:**

Learning outcomes	Assessment criteria
1 Understand the expectations of organisational stakeholder groups	<ul style="list-style-type: none"><li>1.1 Differentiate between primary and secondary stakeholder groups</li><li>1.2 Analyse the expectations of different stakeholder groups and the potential conflict of interest between groups</li></ul>
2 Understand the process of stakeholder engagement and its value to an organisation	<ul style="list-style-type: none"><li>2.1 Assess the value of stakeholder engagement to an organisation</li><li>2.2 Discuss the main stages in the stakeholder engagement process</li><li>2.3 Analyse techniques used to identify the relevant stakeholders with whom to engage</li><li>2.4 Evaluate the suitability of different methods of engaging with stakeholders in relation to stakeholder level of participation and engagement goals</li><li>2.5 Analyse strategies for managing risks associated with stakeholder engagement</li></ul>
3 Understand how to develop and improve stakeholder relationship management	<ul style="list-style-type: none"><li>3.1 Analyse strategies that may be used to meet the competing needs and interests of different stakeholder groups</li><li>3.2 Assess the suitability of methods of developing and maintaining collaborative relationships with different stakeholders</li><li>3.3 Assess the importance of monitoring the effectiveness of stakeholder relationships</li></ul>

## Unit content

### 1 Understand the expectations of organisational stakeholder groups

*Stakeholders:* definition of stakeholders, i.e. 'those who can affect or who are affected by an organisation, strategy or project'; includes users/beneficiaries, governance, influencers, providers (Office of Government Commerce (OCG) stakeholder categories); primary stakeholder: major direct involvement with economic transactions; types, e.g. suppliers, employees, customers, service users; indirect stakeholders: indirect link with organisation; less dependency; groups, e.g. general public, investors, community groups, news media, pressure groups, legislators

*Stakeholder expectations:* interests of different stakeholder groups; suppliers, e.g. repeat orders, prompt payments; employees, e.g. good pay rate, job security; customers, e.g. high quality, competitive price, availability; service users, e.g. high quality, flexibility; investors, e.g. high returns, growth; community groups, e.g. control over environment, sympathetic to cause; general public, e.g. influence over changes; news media, e.g. interesting stories; financial, e.g. profits; organisational stability, e.g. sustainability; economic, e.g. market dominance

*Conflicts of interest:* inevitable; competing/incompatible stakeholder interests and priorities; examples of interests giving rise to conflict, e.g. pricing, outsource/in-house activities, business strategy, operating tactics

### 2 Understand the process of stakeholder engagement and its value to an organisation

*Stakeholder engagement:* differing definitions of stakeholder engagement such as 'process used by an organisation to engage relevant stakeholders for purpose to achieve accepted outcomes (AccountAbility) and 'means of describing a broader, more inclusive, and continuous process between a company and those potentially impacted that encompasses a range of activities and approaches' (International Finance Corporation)

*Value of stakeholder engagement:* plans shaped to satisfy needs of all stakeholders; learning about stakeholder's views; feeling of ownership of decisions; gaining support and cooperation; responding to stakeholder's interests; less resistance; assist organisation to meet corporate social responsibility aims

*Stakeholder engagement process:* planning; identification; analysis; engagement planning; engagement; management, review and reporting

*Identification of stakeholders with whom to engage:* brainstorming; mind mapping; previous projects; stakeholder lists; organisation charts; directories; Office of Government Commerce (OCG) stakeholder categories (users/beneficiaries, governance (steering groups, boards), influencers (trade unions, media); providers (suppliers, partners)

*Stakeholder analysis:* purpose; importance to planning process; effective use of resources; increase effectiveness; increase likelihood of successful outcome

*Stakeholder analysis:* process – listing potential stakeholders, identifying stakeholder expectations, identifying views of performance in meeting expectations, classifying as supporting or opposing, recording strategic issues and actions; benefits and limitations of analysis technique; suitability to context

*Stakeholder influence diagrams:* process – power versus interest grid mapping, identifying influences from one stakeholder to another, importance of influence relationships; benefits and limitations of technique; suitability to context

*Different methods of engaging with stakeholders:* focus groups; workshops; surveys; opinion polls; web 2.0 tools; social media; road shows; meetings, e.g. AGM; interviews; newsletters; joint planning; governance; public relations; lobbying, media strategy; advantages and disadvantages of each method; need for clarity as to decision making power

*Stakeholder level of participation:* power; influence; use of stakeholder influence diagram

*Engagement goals:* from planning stage; relationship between power, influence and engagement goals, e.g. to consult with people from all age groups in a community

*Risks associated with stakeholder engagement:* failure to achieve goals; damage to organisational reputation; lack of stakeholder acceptance; potential negative impact on customer retention and loyalty; negative publicity; lack of awareness of roles and responsibilities; crisis management; conflicting views; impact on working relationships between stakeholders; organisation may substitute stakeholder engagement for corporate social responsibility/ethics

*Strategies for managing risks:* governance and management structures; clear planning and review processes; clarity over accountabilities for stakeholder engagement; collection of data against stakeholder engagement objectives; timely reviews; independent reviewers/evaluators; social media monitoring; complaints and grievance policies; whistleblowing policies

### **3 Understand how to develop and improve stakeholder relationship management**

*Strategies that may be used to meet the competing needs and interests of different stakeholder groups:* managing expectations; conflict resolution techniques

*Managing expectations:* setting expectations, e.g. being honest, articulating risks and issues, communicating progress, not making assumptions; monitoring expectations, e.g. listening to stakeholders spoken and unspoken words, observing actions and contexts, identifying source of expectations, periodically checking for changes in expectations; influencing expectations, e.g. addressing unrealistic expectations early, using influencing skills and techniques, explaining why expectations are not realistic, balancing 'give and take' (concessions and compromises)

*Conflict resolution techniques:* different approaches, e.g. avoidance, domination, accommodation, consensus, compromise; use of facilitation; negotiation



*Use of expectation and conflict resolution techniques:* seeking stakeholder input during planning; addressing concerns before they escalate; clarifying and resolving issues in a timely manner; communicating and working with stakeholders to meet their needs/expectations; building trust by active listening and respecting others' views; gathering information to identify issues; generating and negotiating solutions

*Methods of developing and maintaining collaboration:* focus groups; workshops; surveys; opinion polls; web 2.0 tools; social media; road shows; meetings; interviews; joint planning; governance; reports on progress; websites; consultation over issues

*Suitability of methods for stakeholder groups:* objectives of engagement; cost vs power/influence; sensitivity about issues; media preferences; language/literacy/IT competencies; ability to travel; time constraints; level of complexity of interaction; benefits of face to face, e.g. build relationships, active listening, rapport; disadvantages of face to face, e.g. time, cost, loss of control, usually infrequent; communication mix for each group

*Monitoring effectiveness:* importance of monitoring; allocation of responsibility for monitoring; methods: comparison with objectives in plan; collection of data – surveys, social media monitoring, complaints and compliments monitoring; costs (financial, opportunity) of stakeholder management activities; costs vs benefits; independence of reviewer; review of validity of the stakeholder management objectives

## Essential guidance for tutors

### Delivery

The learning outcomes in this unit can be delivered flexibly. 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 effective stakeholder engagement and management practices. 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 stakeholder engagement and management.

To introduce the unit, it could be useful for learners to conduct research into the concept of organisational stakeholder groups and their expectations. For learning outcome 1, tutor input on the concept of primary and secondary stakeholder groups 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. 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 on stakeholder engagement, 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 stakeholder management background could be used to introduce the topic by presenting an insight into strategies and methods that may be used to meet the needs of stakeholders, monitor stakeholder collaboration and improve the effectiveness of relationship management. 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 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.

If the learner is working concurrently towards a competency-based qualification in management and leadership, then a holistic approach to the assessment of similarly-themed units within 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 stakeholder engagement processes have been designed.

Learning outcome 1 is about differentiating between primary and secondary stakeholders and the expectations of the different stakeholder groups. For AC1.1, the differentiation needs to be contextualised as 'primary' and 'secondary' classifications can be influenced by the degree of dependence of the stakeholder. For AC1.2, the conflicts of interest could best be assessed using an organisation or sufficiently detailed case study.

For learning outcome 2, the assessment methods require the learner to provide appropriately detailed and reflective work and the assessment be applied to a specified organisation. When evaluating the suitability of different stakeholder engagement methods (AC2.4), the learner needs to demonstrate skills such as the ability to use various information sources, evaluate the validity, accuracy and impartiality of the sources, set criteria for evaluation and draw soundly-based conclusions.

Learning outcome 3 could be assessed through a learner presentation supported with research finding on strategies and methods used in the on-going stakeholder management process. The learner could also reflect on how and why the strategies and methods should be reviewed, and, where necessary developed and improved. For learning outcome 3, the presentation and supporting evidence will need to ensure a sufficiently detailed, analytical and evaluative response is given to satisfy the assessment criteria.

Throughout this unit learners could base their responses on organisation(s) with which they are familiar. If the learner is employed it would be useful to examine the employer's stakeholder engagement and management. If the learner is not in suitable work then an organisation with which there are links such as a charity or community organisation could be used. A case study can be developed with tutors negotiating with an organisation and obtaining agreement for relevant, suitable information to be made available and for a senior manager to give a presentation.

Assessment can be for individual learning outcomes or for groups of learning outcomes within a unit and can be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

## Resources

### Books

Freeman R E et al – *Stakeholder Theory: The State of the Art* (Cambridge University Press, 2010), ISBN: 9780521137935

Friedman A L and Miles S – *Stakeholders: Theory and Practice* (Oxford University Press, 2006) ISBN: 9780199269877

Scharioth J and Huber M – *Achieving Excellence in Stakeholder Management* (Springer, 2004) ISBN: 9783540002550

### Journal

Greenwood M (2007) – Stakeholder Engagement: Beyond the Myth of Corporate Responsibility. *Journal of Business Ethics* (Springer, 2007), 74 (4), 315-327

### Websites

[www.mutuals.cabinetoffice.gov.uk](http://www.mutuals.cabinetoffice.gov.uk) – the UK Cabinet Office Mutuals Information Service, provides a guide on Planning Stakeholder Engagement Activity in the Public Service

[www.stakeholdermap.com/stakeholder-definition.html](http://www.stakeholdermap.com/stakeholder-definition.html)

### Other

Evan Davis *The Bottom Line* podcast – 'Contacts', (16/06/11) and 'Investor Relations' (25/07/13), available from [www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all)

Stakeholder engagement: a practical guide – *The Guardian*, 10 April 2013

*International Finance Corporation Stakeholder Engagement – a Good Practice Handbook for Companies Doing Business in Emerging Markets*, 2007 – International Finance Corporation

## 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](http://qualifications.pearson.com/en/support/contact-us.html)
- books, software and online resources for UK schools and colleges: [www.pearsonschoolsandfecolleges.co.uk](http://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))
- *Supplementary guidance for reasonable adjustments and special consideration in vocational internally assessed units* (Pearson)
- *General and Vocational qualifications, Suspected Malpractice in Examination and Assessments: Policies and Procedures* (JCQ)
- *Equality Policy* (Pearson)
- *Recognition of Prior Learning Policy and Process* (Pearson)
- *UK Information Manual* (Pearson)
- *BTEC UK Quality Assurance Centre Handbook*

All of these publications are available on our website.

Publications on the quality assurance of BTEC qualifications are also available on our website.

Our publications catalogue lists all the material available to support our qualifications. To access the catalogue and order publications, please visit our website.

### 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.

## How to obtain National Occupational Standards

Please contact:

Skills CFA  
6 Graphite Square  
Vauxhall Walk  
London  
SE11 5EE

Contact telephone: 020 7091 9620  
Website: [www.skillscfa.org](http://www.skillscfa.org)  
Email: [apprenticeships@skillscfa.org](mailto:apprenticeships@skillscfa.org)

# Professional development and training

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

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- planning for assessment and grading
- developing effective assignments
- building your team and teamwork skills
- developing learner-centred learning and teaching approaches
- building in effective and efficient quality assurance systems.

The national programme of training we offer is on our website. You can request centre-based training through the website or you can contact one of our advisers in the Training from Pearson UK team via Customer Services to discuss your training needs.

## BTEC training and support for the lifetime of the qualifications

**Training and networks:** our training programme ranges from free introductory events through sector-specific opportunities to detailed training on all aspects of delivery, assignments and assessment. We also host some regional network events to allow you to share your experiences, ideas and best practice with other BTEC colleagues in your region.

**Regional support:** our team of Curriculum Development Managers and Curriculum Support Consultants, based around the country, are responsible for providing advice and support in centres. They can help you with planning and curriculum developments.

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[qualifications.pearson.com/contactus](https://qualifications.pearson.com/contactus)

## Your Pearson support team

Whether you want to talk to a sector specialist, browse online or submit your query for an individual response, there's someone in our Pearson support team to help you whenever – and however – you need:

- **Subject Advisors:** find out more about our subject advisor team – immediate, reliable support from a fellow subject expert – at [qualifications.pearson.com](https://qualifications.pearson.com)
- **Ask the Expert:** submit your question online to our Ask the Expert online service on our website and we will make sure your query is handled by a subject specialist.

# Annexe A

## Mapping of mandatory units against NVQ

The grid below maps the knowledge covered in the mandatory units of BTEC Level 5 Professional qualifications in Management against the underpinning knowledge of the NVQ in Management and Leadership.

### KEY

# indicates partial coverage of the NVQ unit

a blank space indicates no coverage of the underpinning knowledge

<b>BTEC Level 5</b>  <b>BTEC Level 5 NVQ</b>	<b>Unit 1</b>  <b>Principles of Management and Leadership</b>  <b>R/506/2070</b>
A/506/2046 Contribute to the development of a strategic plan	
L/506/1953 Provide leadership and management	#





# Annexe B

## Unit mapping overview

Mandatory units from the Pearson BTEC Level 5 Diploma in Management and Leadership (specification start date 01/08/2010) mapped against the mandatory units in the Pearson BTEC Level 5 Diploma in Management (specification start date 01/04/2015)

Old units New units	Unit 1 Principles of Management and Leadership R/602/1366	Unit 14 (Optional) Principles of Strategic Management A/602/1488	Unit 17 (Optional) Management Decision Making K/602/2054
Unit 1 Principles of Management and Leadership R/506/2070	X		

### 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))

**August 2017**

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