

Level 4 Certificate in Managing Business Performance



International
Qualifications from EDI

Syllabus

Effective from 1 January 2012

Version 2

INTRODUCTION

Educational Development International (EDI) is a leading international awarding body that was formed through the merger of the London Chamber of Commerce and Industry Examinations Board (LCCIEB) and a leading online assessment provider GOAL. EDI now delivers EDI and LCCI International Qualifications (LCCI IQs) through a network of over 5000 registered centres in more than 120 countries worldwide. Our range of business-related qualifications are trusted and valued by employers worldwide and recognised by universities and professional bodies.

Level 4 Certificate in Managing Business Performance

Aims

The aim of this qualification is to introduce candidates to those factors that characterise large businesses, typically called organisations. In particular, they will learn about a range of organisational features that can contribute significantly to the overall performance of the organisation. They will be introduced to the main theorists whose work has influenced these features in recent times, and they will study the ways in which managing these features can contribute to improved business performance.

Candidates will study individual and team development in an organisational context and learn a range of approaches for improving team and personal performance. They will be introduced to the importance of management information, how it is gathered and used and its use in connection with business risk. Candidates will focus on customers from the perspective of quality, including internal and external customers. Large organisations function through a range of interlinked projects, and candidates are introduced to the basics of project management, and also to the main principles of change management.

This qualification will require an element of mathematical calculations and interpretation of data, in relation to issues faced by a business.

Objective: Target Audience and Candidate Progression

This qualification will introduce candidates to the main features that distinguish large business organisations from other businesses. It is suitable for candidates who wish to develop their general understanding of these features and how managing these effectively can increase business performance.

This qualification would suit candidates who wish to work in a role which requires critical decision making within large businesses, or for those candidates who wish to pursue their academic development into higher education.

This qualification can be taken as a standalone qualification or as part of the Level 4 Diploma in Accounting and Finance.

Structure of the qualification

The Level 4 Certificate in Managing Business Performance is a single unit qualification and consists of the following topic areas:

Topic areas	Approximate weighting of question allocation
1 Managing people, teams and performance	25%
2 Managing information and business risks	25%
3 Managing quality and customer expectations	25%
4 Managing business projects and organisational change	25%

ASSESSMENT

This qualification will assess candidates' knowledge, skill and understanding of each of the syllabus topic areas.

Learning Outcomes

Topic Area 1

- Be able to develop a recruitment and selection strategy
- Understand how to manage and motivate individuals and teams
- Know how to manage workplace performance

Topic Area 2

- Understand the relationship between managing business information and its impact upon achieving organisation objectives
- Be able to carry out a business risk assessment

Topic Area 3

- Be able to assess the purpose of a quality management system
- Know how managing customer expectations can benefit business strategy

Topic Area 4

- Know how to manage a business project
- Know how to manage change

Assessment Method

The assessment method for this qualification has been designed to provide an appropriate and fit-for-purpose assessment of a candidate's ability to achieve the assessment criteria. It has been levelled to match level 4 of the Qualification Credit Framework, the qualifications framework for England, Wales and Northern Ireland.

This qualification is assessed by a written examination paper, which is available On Demand. The examination paper will consist of four questions, with 25 marks for each question and will cover all four topic areas of the syllabus. The time allowed for the examination is 3 hours. Candidates must answer all four questions.

All examinations must be carried out in accordance with the *Examination Guide for LCCI Centres* and the *Examination Regulations*, which will be sent to centres with the examination papers.

Answer Format

Candidates may be asked to provide answers in the form of diagrams or charts; bullet points; short paragraphs or essay style along with calculations where required. Some questions may ask for relevant examples to be provided. Appropriate business language should be used and any relevant charts, diagrams or tables should be properly labelled.

Mark Allocation

A positive marking approach is used. Marks are not deducted for incorrect answers, or for spelling and grammatical errors.

Certification

Successful candidates will be awarded the Level 4 Certificate in Managing Business Performance based on the grades below:

Pass	50%
Merit	60%
Distinction	75%

Centres will receive certificates within a maximum of 6 weeks of the receipt of the scripts at EDI.

Level 4 Certificate in Managing Business Performance

Learning Outcome		Assessment Criteria	Indicative Content
<i>Candidate will:</i>		<i>Candidate can:</i>	<i>Taught content:</i>
Topic 1: Managing people, teams and performance			
1	Be able to develop a recruitment and selection strategy	1.1 Assess the need for workforce planning 1.2 Develop a recruitment policy 1.3 Appraise the selection process	<p>Learners will be able to identify situations which lead to changes in short and long term staffing requirements.</p> <p>These changes can be brought about by factors such as the establishment of new business objectives, business acquisitions and mergers, changes in labour market conditions (supply and demand), new market opportunities, the need for new skills or business efficiencies, the adoption of new business practices and the need for the redeployment of individuals.</p> <p>Learners will be able to develop a recruitment policy and identify the features and benefits of carrying out a job analysis and developing a job description and person specification, within a given scenario.</p> <p>The learner will be able to distinguish between internal and external recruitment.</p> <p>Learners will be able to describe the range of activities carried out by HR personnel, before the candidate selection can be made. The learner will be able to assess the effectiveness of:</p> <ul style="list-style-type: none"> ▪ advertising the role ▪ the application form ▪ interviews (Rodgers 7 point plan and Munro-Fraser 5 point plan) ▪ testing (aptitude, psychometric) ▪ selection exercises (presentations, group

- work)
- using technology (Skype, videoconferencing).

The learner will also be able to identify the effectiveness of the recruitment and selection process and will consider factors such as the appropriateness of the candidate, costs to the business, conversion rates of enquiries to applications and the aggregate number of applications.

1.4 Assess the influence of payment and reward upon quality and quantity of potential recruits

Learners will understand a range of financially motivated practices used to influence quality of new recruits. Learners will describe various reward strategies including bonuses, profit sharing, performance-related pay schemes, and share options.

Learners will also be able to explain a range of additional benefits such as holidays, pension schemes and flexible working practices (e.g. flexitime, family-friendly working hours, caring duties, working from home and part-time working). Learners will provide examples of how equal opportunity practices and business culture influence the volume and quality of potential recruits.

2 Understand how to manage and motivate individuals and teams

2.1 Distinguish between the functions of management and their influence upon teamwork

Learners will be able to apply Likert's four management systems to the manager's role in forming, maintaining and leading a team and critically assess the reasons for the success or failure of a team.

Learners will also be able to identify Henri Fayol's five functions of management, and discuss the impact of these functions upon the manager's daily duties.

2.2 Distinguish between a range of leadership styles and their influence upon teamwork

Learners will know a range of leadership theories and be able to critically evaluate their effectiveness in different situations.

Types of leadership theories to consider would include, behavioural theories, in particular the work of Kurt Lewin (autocratic, democratic and laissez-faire leaders) and Blake-Mouton's managerial grid. Contingency theories in particular Hersey-Blanchard, as well as trait theories such as transformational, charismatic, servant and task oriented leaders.

Learners will also know of power and influence theories such as French and Ravens 5 Forms of Power and Transactional leadership.

2.3 Evaluate the effectiveness of group development strategies

Learners should be able to identify the need for clear communication of team objectives, goals and procedures, along with understanding of how objectives can be achieved by setting SMART targets. They should understand how behavioural traits such as trust and cooperation can benefit teamwork, along with the need for review and evaluation.

Learners will be expected to know theorists in group development such as Belbin, Myers and Briggs, Tuckman's (5 stages) and Adair.

Learners will be able to apply the work of Tuckman, Adair and Likert to a range of business scenarios including the establishment of work groups, dealing with underperforming teams and the influence of management styles on individual and team performance.

2.4 Distinguish between a range of motivational theorists and how their theories impact upon organisation culture and working relationships

Learners will be able to explain in detail the work of the following theorists, and identify how each theory motivates performance, i.e. financial reward, job satisfaction, improved working relationship, improved working environment:

- Maslow
- Theory X and Theory Y
- F W Taylor
- Herzberg
- McClelland
- Vroom, Lawler and Porter
- Handy.

Learners will understand the relationship between stimulus, response and outcome, and differentiate between internal and external motivation.

Learners will understand that the organisation's culture lies within its mission, aims, policies, rituals, rules, structure and management attitudes; and they will be able to apply motivational theories to a range of business scenarios.

3 Know how to manage workplace performance.

3.1 Explain the purpose of performance management

Learners will understand performance management as a continuous process used to align employee activities to achieve organisational objectives.

Learners will be able to explain the three elements of a performance management system – performance improvement, individual and team development, managing behaviour.

3.2 Assess the information used to evaluate and improve performance

Learners will be able to distinguish between quantitative and qualitative measures of performance. Examples could include achievement of targets, work completion rates, customer feedback, attendance rates, lateness records, initiative and commitment, training programmes attended, project work undertaken, new

responsibilities, contribution to team activities and targets and relationships with peers and superiors.

Learners will be able to identify a range of indicators of the level of performance including under/non-achievement of agreed work targets, deadlines, lateness, absenteeism, working relations with peers and superiors and poor customer service.

Learners will know that a performance appraisal includes terms of measurement, feedback, positive reinforcement, exchange of views and agreement on future targets to improve performance. In addition they will be able to identify the management skills required to perform an effective performance appraisal including the ability to ask the right questions, listen and provide constructive feedback backed up by evidence and relevant examples, rather than subjective opinion.

Learners must be able to formulate strategies to address both work and non-work factors; identify the difference between support strategies and sanctions; set appropriate targets and objectives within agreed timescales, understand the contribution of training to improving performance and analyse how working practices and management styles can impact upon performance.

3.3 Explain the need for a skills gap analysis

Learners will understand that a skills gap analysis can be used as an evaluation tool to determine training needs of individuals, groups or the whole organisation. The analysis will reveal the gap between what skills currently exist and what are required to improve performance.

Learners will be able to explain how to reduce a skills gap by developing the performance of their employees:

- Learning
- Development
- Training
- Education
- Competence.

Learners will know the work of Kolb and Kirkpatrick and how to apply the learning cycle to evaluate skills, and know the fundamental criteria that would be included within personal development plans and appraisal forms.

Topic 2: Managing information and business risks

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| 4 | Understand the relationship between managing business information and its impact upon achieving organisation objectives. | 4.1 | Explain the relationship between a management information system and its link to achieving organisation objectives. |
|---|--|-----|---|

Learners will understand that a Management Information System (MIS) can be regarded as part of the internal control or audit procedure of an organisation and covers:

- Effective use of its human resource
- Recording information
- Determining the technology used to analyse data.

Learners will understand that an MIS is a system for generating and integrating information for use by management to solve business problems in line with the aims and objectives of the business and future planning. Learners will be familiar with the works of T Lucey and P Kotler.

Learners will know the types of MIS which are useful at a strategic level:

- Control systems
- Database systems
- Enquiry systems
- Decision support systems.

4.2 Identify the functional business areas that would benefit from the use of an MIS

Learners will understand that the data for management information is produced by the functional areas, but can be used to evaluate and make decisions across the organisation:

- Sales and Marketing
- HR (knowledge management)
- Finance
- Procurement
- Administration
- Customer Service (customer relationship management)
- Production and Operations.

Learners will be able to identify a range of information management systems:

- Transaction Processing Systems (TPS) collect and record the routine transactions
- Management Information Systems (MIS) produce fixed reports
- Decision-Support Systems (DSS) compile information from a wide range of sources
- Executive Support Systems (ESS) provide summarised reports between functional and cross functional areas
- Enterprise Resource Planning (ERP) planning, managing, and controlling of all core business processes across multiple locations.

4.3 Evaluate the benefits of an MIS system to the business and the individual manager

Learners will understand the concept of cost benefit analysis as applied to the implementation of an MIS system.

			<p>Learners will also need to understand the usefulness of management information as determined by such factors as its timeliness, its accuracy, its relevance and, in some instances, its presentational form and brevity.</p> <p>Learners should be able to evaluate the benefits to the business and the individual manager in terms of operational, tactical and strategic decisions.</p>
5	Be able to carry out a business risk assessment	5.1 Describe what is meant by business risk	<p>Learners will be able to explain that risk management is the use of processes, methods and tools to manage the impact of an unforeseen event.</p> <p>Learners need to understand the purpose of risk management is to identify and manage business risks in order to limit exposure to financial loss. Learners should also be able to distinguish between retained risks and transferable risks.</p>
		5.2 Plan and evaluate a risk management process	<p>The learner will know the typical processes involved in the management of risk:</p> <ul style="list-style-type: none"> ▪ methodically identifying risks surrounding your business activities ▪ assessing probability of risks ▪ planning response actions to risks ▪ monitoring and evaluating how risks are handled. <p>Learners will know that by carrying out risk management a business can be effective in meeting their objectives in terms of:</p> <ul style="list-style-type: none"> ▪ improving decision-making, planning and prioritisation ▪ allocating resources ▪ being proactive rather than reactive in worst-case scenarios.

Learners will be able to use frameworks such as PESTLE and SWOT to calculate and reduce internal and external risks.

Learners should be able to devise a risk management plan under the following headings: potential risk, risk classification, risk evaluation, early warning indicators, control measures, residual risk (retained or transferred) and lead manager.

5.3 Distinguish between different types of business risks

Learners will be able to assess and distinguish between financial and non-financial risk and risk categories:

- Strategic (including mergers, technology, reputation)
- Compliance (including need to comply with legislation, quality, internal audit systems, regulations and governance)
- Financial (including business transactions, interest rates, exchange rates)
- Operational (including recruitment, supply chain, accounting, IT).

Other risk categories include:

- Environmental (consider natural disasters and disaster recovery)
- Employee risk management (including health and safety)
- Political and economic instability
- Commercial risk (including suppliers, customers, banks failing).

5.4 Assess methods of managing business risk

Learners will know a range of methods used to determine the level of risk and how, by determining the level of risk, they can plan appropriate action:

- Probability/impact matrix
- Rank the risk (high, medium or low; 1 to 10 or in order of consequence and probability etc)
- Risk map.

Learners will understand that a business's risk assessment will change as the business grows.

Learners will be able to assess risk to determine the most favorable outcome:

- accept it
- transfer it
- reduce it
- eliminate it.

Learners will be able to describe a business interruption policy and know how insurance can be used to reduce potential losses, including:

- employer's liability
- product liability
- property insurance
- transport/fleet insurance
- goods in transit insurance.

5.5 Analyse the methods used to minimise risk

Learners will be able to examine and evaluate the procedures and processes put in place to reduce potential risks or actions. They will be able to recommend steps to put in place to reduce risk and be able to measure the success in reducing risk.

Learners will understand that risk management is a continuous cycle put into place to reduce internal and external influences on risk.

Learners will be able to evaluate the effectiveness of their management of risk, and develop future-proof processes of dealing with risks such as business continuity plans, or disaster recovery plans and developing a risk management policy.

Topic 3: Managing quality and customer expectations

6	Be able to assess the purpose of a quality management system	6.1 Explain the purpose of quality management systems	Learners will be able to explain the relationship between quality and customer expectations, along with quality and improved bottom line performance.
			Learners will understand that a quality management system is unique to each business and developed from the size of the organisation and its structure, processes and procedures and availability of resources, using known quality management systems and theorists.
			Learners will identify factors which underpin quality management such as leadership, customer focus, people involvement, processes and systems, and understand how these factors inform the development of different types of Quality Management Systems (QMS).
		6.2 Evaluate the influence of quality management systems upon performance	Learners will be able to explain the purpose of a quality audit and the need for quality policies, processes and systems.
			Learners will be able to describe the features of the main quality management systems – quality control, quality assurance and Total Quality Management (TQM), and have a general understanding of the Six Sigma approach to quality.

Learners will be able to identify methods which a business can use to measure their performance:

- Benchmarking
- Best Practice
- Balanced Scorecards.

Learners will be able to use the above mentioned quality systems and methods to set targets and the direction of their business strategy. They will also be able to identify quality management standards such as ISO standards.

6.3 Examine the development of quality management theories in relation to operational management

Learners will be able to apply theorists who have been influential in the development of quality management systems and have influenced business practice, in particular the works of:

- Kaizen
- Deeming (14 key principles)
- J M Juran
- FW Taylor.

7 Know how managing customer expectations can benefit business strategy

7.1 Describe the influence of customer relationship strategies on an organisations business strategy

Learners will be able to describe that the basic need for business survival is customers. They will understand basic terminology such as customer service, customer retention, customer loyalty, customer profiling, customer intelligence, and customer focus, when explaining how the customer influences business strategy.

Learners will be able to explain the influence of the customer on business strategy in terms of the pattern of consumer expenditure and consumer tastes and preferences.

Learners will describe the purpose of a customer relationship strategy in terms of developing an information management system to collect and store customer data, demographics and spending behaviour.

Learners will be able to describe how a business can access and analyse their data to inform marketing activities, enhance consumer experience and meet customer expectations. Learners will understand that good customer relations results in retained customers, promotes customer loyalty and establishes a competitive advantage.

Learners will be aware of relationship management theories such as:

- Pareto's principle (80:20 rule)
- Customer life cycle.

7.2 Evaluate the effectiveness of a Customer Relationship Management (CRM) system

Learners will identify approaches to establishing a CRM system including outsourcing, off-the-shelf packages, bespoke software and managed solutions and evaluate CRM systems in terms of how far they achieve customer retention and loyalty and establish a competitive advantage.

Learners will be able to explain the manager's role with reference to analysing customer data and information including customer feedback, engaging work groups/staff teams in self-assessment activities, establishing priorities, setting quality improvement targets for individuals and teams, negotiating resources and establishing, reviewing and monitoring performance improvement plans.

Topic 4: Managing business projects and organisational change

8 Know how to manage a business project

8.1 Explain the features of a project management system

Learners will be able to explain the relationship between using the processes of planning, organising, controlling, securing and managing resources within project management and achieving specific organisational goals and objectives.

	<p>Learners will understand the constraints within which projects are delivered – scope, time and costs - and that one of these factors cannot be changed without affecting the others. Learners should also be aware that a fourth factor, quality, may also be added.</p>
<p>8.2 Identify the stages and processes used to effectively manage a project</p>	<p>Learners will be able to identify the main stages of a project from initiation to project completion, and describe the management processes inherent in each stage of project management, for example:</p> <ul style="list-style-type: none"> ▪ initiation ▪ planning and design ▪ execution and construction ▪ monitoring and controlling systems ▪ completion. <p>Monitoring and control, for example, will involve measuring project outcomes against project plan targets and monitoring project cost variables in relation to the elements within the project management triangle – scope, time and costs.</p>
<p>8.3 Distinguish between a range of theories and approaches to project management</p>	<p>Learners will be able to distinguish between the theories, tools and frameworks used in project management, in particular:</p> <ul style="list-style-type: none"> ▪ Gantt chart as a tool for scheduling, budgeting and presenting project plans ▪ Critical Path Analysis as a diagrammatical representation of what needs to be done ▪ Henri Fayol and his 5 management functions ▪ Project Evaluation and Review Technique (PERT) ▪ Process based management (capability maturity models)

	8.4 Explain the need to manage a project within a specified budget	<p>Learners will explain the benefit of following an organisation's financial regulations and procedures in respect of committing resources for the procurement of goods and services and to explain the difference between quotations and tenders. They will be able to explain the impact upon the business when projects go over budget.</p> <p>Learners will be able to distinguish between historical and zero-based budgeting, and understand the need for managers to take responsibility for their cost centre.</p> <p>Learners will be able to explain how budget variance reports can aid budget forecasting, and promote strategies to support business efficiencies in cost centre budgets. Strategies can include reviewing all contracts, negotiating discounts, reviewing payment systems and utilising on-line purchasing facilities.</p>
9 Know how to manage change	9.1 Explain why change needs to be managed	<p>Learners will be able to explain internal and external factors that influence organisational change such as business growth, technology, political and governmental changes, need for business efficiencies and competitive pressures. Learners will be able to identify the impact of change where it has been introduced and managed through the use of a change strategy.</p>
	9.2 Distinguish between change management theories and how they influence strategy	<p>Learners will be able to compare and contrast change theories and models, with particular focus upon:</p> <ul style="list-style-type: none"> ▪ Kotter's eight step change model ▪ Lewin's three stage model ▪ McKinsey's 7-S model. <p>Learners will be able to identify a range of factors including leadership and communication</p>

skills, negotiating skills, persuasion skills and coaching skills, which contribute to effectively managing change, and in particular be able to identify the leadership style in which change is managed.

Learners will recognise the need to adapt the leadership style in accordance with the business scenario. For example, changes to business structure, implementing a new business process and managing the impact of business mergers all require a different leadership approach.

ADDITIONAL INFORMATION

Diversity, access and inclusion

EDI qualifications address diversity, access and inclusion issues through a) guidance provided to authors of assessment material, b) assessment arrangements and c) guidance to centres.

The assessments generated by EDI are designed to be inclusive and free from bias. This is built into the task-setting specifications on which the assessments are based. EDI administers external assessments in line with the latest recommended procedures for ensuring accessibility and fair treatment of all.

EDI has procedures in place for making reasonable adjustments to assessments for those learners with particular assessment requirements, provided that this does not invalidate the assessment requirements of the qualification. For guidance on reasonable adjustments, please refer to the Access Arrangements, Reasonable Adjustments and Special Consideration document which can be downloaded by EDI approved centres from the Centre Administration area of the LCCI website www.lcci.org.uk.

Entry requirements

There are no formal entry requirements for this qualification. However, candidates should have a minimum level of English equivalent to the LCCI Level 2 English for Business or JETSET 4 - (Council of Europe B2/Threshold) to meet the communication requirements for this qualification.

Candidates should also be numerate and able to carry out arithmetical calculations comparable with those of Level 2 mathematics qualifications.

Guided Learning Hours

EDI recommends that 140 - 160 guided learning hours (GLHs) will provide suitable course duration for an 'average' candidate at this level. The GLH indicates the number of direct contact hours typically required to cover the taught content for this qualification. In addition it is expected that students will carry out independent study. For this qualification a student will typically engage in independent study for 100 - 140 hours. Ultimately, however, it is the responsibility of centres to determine the appropriate course duration based on their candidates' ability and level of existing knowledge.

Recommended Reading List and Support Materials

Reading List

Title	Author(s)	Publisher	ISBN Code
Management Theory and Practice	G.A.Cole	Thomson	1-84480-088-1

Internet sources

Candidates will be required to research a variety of management disciplines, many of which are contained within specialist websites. Candidates should also be aware of the wide variety of contemporary management issues which are covered in the occasional papers and reports published on the Internet by a range of professional bodies.

The following indicative websites provide an insight into the units covered by the Certificate in Managing Business Performance.

Website address

<http://www.mindtools.com>

Details

Covers topics including leadership skills, project management, decision-making and Kotter's 8-Step Change Model

<http://cipd.co.uk>

Specialises in human resource management issues including recruitment, selection, performance and change management

<http://www.teamtechnology.co.uk>

Contains case studies on internal audit

<http://businessballs.com>

General business studies website which includes sections on change management and project management

<http://bookboon.com/uk/business/management>

Free downloads of short management textbooks covering a range of titles including *Managing through Change*; *Coaching and Mentoring*; *Motivation Skills*; *Customer Relationship Management*; *Management Basics*; *Operations Management*; *Project Management*

Support Material

A syllabus and sample questions and answers are available on the qualification page of the website www.lcci.org.uk.

How to offer this qualification

To offer this qualification you must be an LCCI IQ registered examination centre. To gain Centre approval please contact International Enquiries on +44 (0) 24 76518951 between the hours of 08.30 to 17.00 Monday to Friday, or via email on internationalenquiries@ediplc.com.

Alternatively you may contact your Regional LCCI IQ Office or Coordinating Authority.

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Supporting learning
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