
Management of People and Finance Unit

SCQF: level 6 (6 SCQF credit points)

Unit code: J22A 76

Unit outline

The general aim of this Unit is to enhance learners' understanding of the management of people and finance within large organisations. The Unit will develop the skills, knowledge and understanding required to make decisions about how to manage these resources effectively. In doing so, the Unit is designed to enhance the employability of learners by enabling them to carry out activities that will contribute to organisational success.

Learners who complete this Unit will be able to:

- 1 Apply knowledge and understanding of how the management of people can meet the objectives of large organisations
- 2 Analyse how the management of finance contributes to the effectiveness of large organisations

This Unit is available as a free-standing Unit. The Unit Specification should be read in conjunction with the *Unit Support Notes*, which provide advice and guidance on delivery, assessment approaches and development of skills for learning, skills for life and skills for work. Exemplification of the standards in this Unit is given in *Unit Assessment Support*.

Recommended entry

Entry to this Unit is at the discretion of the centre. However, learners would normally be expected to have attained the skills, knowledge and understanding required by one or more of the following or equivalent qualifications and/or experience:

- ◆ National 5 Business Management Course or relevant component Units

Examples of other such relevant prior learning and experiences would be the development of thinking skills, and the ability to work with others. The Unit would also be suitable for those who have demonstrated or are interested in developing entrepreneurial and leadership skills.

Equality and inclusion

This Unit Specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence. For further information, please refer to the *Unit Support Notes*.

Standards

Outcomes and assessment standards

Outcome 1

The learner will:

- 1 Apply knowledge and understanding of how the management of people can meet the objectives of large organisations by:**
 - 1.1 Describing approaches that could be used to manage human resources effectively
 - 1.2 Describing approaches that could be used to motivate staff to improve effectiveness
 - 1.3 Explaining how employee relations can impact on the success of a large organisation
 - 1.4 Describing the impact of current employment legislation

Outcome 2

The learner will:

- 2 Analyse how the management of finance contributes to the effectiveness of large organisations by:**
 - 2.1 Describing sources of finance suitable for large organisations and giving reasons for their use
 - 2.2 Describing the purpose of financial (final accounting) statements
 - 2.3 Describing accounting ratios and outlining the use or limitation of ratio analysis

Evidence Requirements for the Unit

Assessors should use their professional judgement, subject knowledge and experience, and understanding of their learners, to determine the most appropriate ways to generate evidence and the conditions and contexts in which they are used.

Evidence can be drawn from a variety of sources and presented in a variety of formats. This can include short written responses, participation in group tasks, presenting information to other groups and/or oral recorded evidence. The evidence can be gathered from a variety of tasks and assessments carried out during the Unit or Course. Learners should use appropriate business terminology and include, where appropriate, the use of real business examples.

Evidence may be presented for individual Outcomes or it may be gathered for the Unit as a whole through combining assessment in one single activity. If the latter approach is used, it must be clear how the evidence covers each Outcome.

Exemplification of assessment is provided in *Unit Assessment Support*. Advice and guidance on possible approaches to assessment is provided in the *Unit Support Notes*.

Assessment standard thresholds

If a candidate successfully meets the requirements of the specified number of Assessment Standards they will be judged to have passed the Unit overall and no further re-assessment will be required.

The specific requirements for this Unit is as follows:

- ◆ 5 out of 7 Assessment Standards must be achieved.

It should be noted that there will still be the requirement for candidates to be given the opportunity to meet all Assessment Standards. The above threshold has been put in place to reduce the volume of re-assessment where that is required.

Development of skills for learning, skills for life and skills for work

It is expected that learners will develop broad, generic skills through this Unit. The skills that learners will be expected to improve on and develop through the Unit are based on SQA's *Skills Framework: Skills for Learning, Skills for Life and Skills for Work* and drawn from the main skills areas listed below. These must be built into the Unit where there are appropriate opportunities.

1 Literacy

1.2 Writing

2 Numeracy

2.3 Information handling

4 Employability, enterprise and citizenship

4.1 Employability

4.4 Enterprise

5 Thinking skills

5.3 Applying

5.4 Analysing and evaluating

Amplification of these skills is given in SQA's *Skills Framework: Skills for Learning, Skills for Life and Skills for Work*. The level of these skills should be at the same SCQF level of the Unit and be consistent with the SCQF level descriptor. Further information on building in skills for learning, skills for life and skills for work is given in the *Unit Support Notes*.

Appendix: Unit support notes

Introduction

These support notes are not mandatory. They provide advice and guidance on approaches to delivering and assessing this Unit. They are intended for teachers and lecturers who are delivering this Unit. They should be read in conjunction with:

- ◆ the *Unit Specification*
- ◆ the *Unit Assessment Support packs*

Developing skills, knowledge and understanding

Teachers and lecturers are free to select the skills, knowledge, understanding and contexts which are most appropriate for delivery in their centres.

Approaches to learning and teaching

Topic	Skills, knowledge and understanding	Suggested experiences and activities
Recruitment and selection	<p>Learners should be made aware of:</p> <ul style="list-style-type: none"> ◆ costs and benefits of internal and external recruitment ◆ differentiation between internal and external recruitment ◆ selection methods and the costs and benefits of methods of selection, eg application forms, CVs, interviews, use of testing ◆ elements of workforce planning eg skills analysis of current staff, staffing forecasts to meet demand, planning internal and external supply of staff ◆ implications and benefits of flexible working on the organisation 	<p>Exploring different careers and researching job specifications and the desirable/essential attributes for different job roles will enhance learners' employability. This is best achieved through active and open-ended learning activities such as:</p> <ul style="list-style-type: none"> ◆ producing sample application forms ◆ completing sample application forms ◆ participating in mock tests <p>The context of these activities could be personalised for learners to maximise the relevance and usefulness of these tasks:</p> <ul style="list-style-type: none"> ◆ using business case studies that illustrate workforce planning ◆ listening to external contributors explain how their business implements workforce planning
Training	<p>Learners should be made aware of:</p> <ul style="list-style-type: none"> ◆ the relevance of training to the organisation and the employee ◆ different training types and methods and their costs and benefits ◆ the use of virtual learning facilities ◆ professional development through training schemes ◆ professional development through work-based qualifications 	<ul style="list-style-type: none"> ◆ Investigating training methods and recommend suitable methods for different scenarios. ◆ Listening to external contributors explain about the costs and benefits of staff training and the different training types and methods they use in their business.
Employee Relations	<p>Learners should be made aware of:</p>	<p>Participating in open-ended learning activities such as:</p>

and Employee Legislation	<ul style="list-style-type: none"> ◆ the meaning of 'employee relations' and the impact of positive employee relations ◆ industrial action that can occur due to negative employee relations ◆ the use of appraisal methods and the costs and benefits of these methods to the organisation and the employee ◆ legal and company policies (grievance, discipline, dismissal, absenteeism, downsizing, de-layering) and their impact on employee relations ◆ contemporary working practices and their impact on the employee relations ◆ the role of external institutions eg Trade Unions, ACAS, CBI and their impact on organisations and employees ◆ current employment legislation and its impact on employee relations eg Health and Safety at Work, Equalities Act 	<ul style="list-style-type: none"> ◆ using current businesses as case studies to provide examples of the impact of employee relation activities ◆ participating in mock wage negotiation activities ◆ listening to external contributors talk about how they manage employee relations ◆ use examples to illustrate how an organisation has changed its behaviour to comply with current employee legislation ◆ use examples from the media or from case studies to illustrate how an organisation has used appraisal methods and the effect of the methods on the organisation and employee
Motivation and leadership	<p>Learners should be made aware of:</p> <ul style="list-style-type: none"> ◆ motivation theories - Maslow, Hertzberg, McGregor ◆ methods of motivating employees, including the benefits of motivation ◆ uses of employee participation and their costs and benefits, eg works councils, worker director, consultative committees ◆ the role of management in motivating employees ◆ styles of leadership and their costs and benefits eg autocratic, democratic, laissez-faire ◆ use and justification of leadership styles in a given business scenario 	<p>Participating in open-ended learning activities such as:</p> <ul style="list-style-type: none"> ◆ justifying leadership styles for different scenarios ◆ taking part in team building activities ◆ listening to external contributors talk about what their business does to motivate and lead staff ◆ using current businesses as case studies to provide examples of motivation in the workplace
Sources of finance	<p>Learners should be made aware of:</p> <ul style="list-style-type: none"> ◆ the suitability of different sources of finance for large 	<ul style="list-style-type: none"> ◆ Developing an understanding of role and operation of the stock market in providing finance for public limited companies. ◆ Researching and justifying suitable finance for different

	<p>organisations</p> <ul style="list-style-type: none"> ◆ internal and external sources, eg retained profit, sale of assets, share issue, mortgages, debt factoring, debentures ◆ external long-term and external short-term sources ◆ determining factors for selecting sources of finance eg finance costs (interests rates), payback term, short-term or long-term 	<p>scenarios.</p> <ul style="list-style-type: none"> ◆ Participating in stock market investment simulations. ◆ Visiting banks and stock exchanges. ◆ Listening to external contributors talk about sources of business finance.
Cash Budgeting	<p>Learners should be able made aware of:</p> <ul style="list-style-type: none"> ◆ the purpose of budgeting as an aid to decision making ◆ the interpretation of cash budgets as a means of solving cash flow issues 	<ul style="list-style-type: none"> ◆ Interpreting cash budgets and identifying any cash flow or profitability problems. ◆ Justifying suitable solutions to problems identified. ◆ Using spreadsheets in the preparation and interpretation of cash budgets.
Financial Statements	<p>Learners should be made aware of:</p> <ul style="list-style-type: none"> ◆ the purpose, main elements and interpretation of an income statement (trading and profit and loss account) ◆ the purpose, main elements and interpretation of the statement of financial position (balance sheet) ◆ users of financial information and what they use it for 	<ul style="list-style-type: none"> ◆ Using income statements (trading, profit and loss accounts) and statements of financial position (balance sheets) to illustrate profits, losses and net worth. ◆ Using spreadsheets in interpretation of income statements (trading, profit and loss accounts) and statements of financial position (balance sheet).
Ratio analysis	<p>Learners should be made aware of:</p> <ul style="list-style-type: none"> ◆ the purpose of ratio analysis ◆ the limitations of ratio analysis ◆ the interpretation of profitability, liquidity and efficiency ratios to make evaluative comments on business performance 	<ul style="list-style-type: none"> ◆ Using exemplar income statements (trading, profit and loss accounts) and statements of financial position (balance sheets) to illustrate how to calculate and interpret profitability, liquidity and efficiency ratios. ◆ Using technological resources (eg spreadsheet software) to assist in the preparation and interpretation of ratios.
Technology	<p>Learners should be made aware of:</p> <ul style="list-style-type: none"> ◆ uses of technology in human resource management and financial management and the costs of benefits of using it, for example 	<ul style="list-style-type: none"> ◆ Using current businesses as case studies to illustrate how technology is used in the management of people and finance. Examples of suitable technology to focus on could include: <ul style="list-style-type: none"> — spreadsheets — electronic training resources — electronic testing

		<ul style="list-style-type: none">— electronic application forms◆ Using appropriate technological and media resources (eg technology and news websites) to keep up-to-date with contemporary examples of technology being used by business and its impact on business activity.
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Combining assessment within Units

Assessment could be combined in this Unit by holistically assessing all the Outcomes of the Unit in a single assessment. When assessment within the Unit is holistic, teachers and lecturers should take particular care to track the evidence for each individual Outcome.

Administrative information

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Superclass: AF

History of changes to National Unit Specification

Version	Description of change	Authorised by	Date
1.1	Minor edits to wording in AS 1.1 and AS 1.2 to clarify meaning. Changes to wording in all three AS in Outcome 2 to improve clarity.	Qualifications Development Manager	April 2014
2.0	The word 'financial' added to the Assessment Standard 2.2, to take account of international accounting terms.	Qualifications Manager	August 2015
3.0	Level changed from Higher to SCQF level 6. Unit support notes added. Assessment standard threshold added.	Qualifications Manager	September 2018
4.0	Unit code updated	Qualifications Manager	July 2019

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