

## SQA Advanced Unit Specification

### General information for centres

**Unit title:** Business Culture and Strategy

**Unit code:** HP6R 48

**Unit purpose:** This Unit is designed to enhance candidates' understanding of business strategy and how it can be developed and managed within the culture of an organisation. It highlights the dynamic nature of the business environment and the role that business strategy and organisational culture can play in improving the long-term performance of an organisation.

On completion of the Unit the candidate should be able to:

- 1 Analyse the process by which management can assess the current relationship between the organisation and its external environment.
- 2 Assess the relationship between organisational culture and organisational behaviour.
- 3 Explain the influence of business strategy on organisational behaviour.
- 4 Explain how to manage a business strategy.
- 5 Analyse how to manage change within an organisation.

**Credit points and level** 2 SQA Credits at SCQF level 8: (16 SCQF credit points at SCQF level 8\*)

*\*SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from National 1 to Doctorates.*

**Recommended prior knowledge and skills:** Entry to this Unit is at the discretion of the centre. However, it is recommended that candidates possess good communication skills, together with knowledge of organisation structures and the factors that influence employee behaviour at work. This may be evidenced by possession of the Core Skill *Communication* at SCQF level 6 and/or the Unit F84T 34 *Managing People and Organisations* or equivalent.

**Core Skills:** There are opportunities to develop Core Skills of *Problem Solving* and *Communication* at SCQF level 6 in this Unit although there is no automatic certification of Core Skills or Core Skills components.

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**Context for delivery:** If this Unit is delivered as part of a Group Award, it is recommended that it should be taught and assessed within the subject area of the Group Award to which it contributes.

**Assessment:** The assessment may take the form of open-book assessments with structured questions.

A holistic approach may be taken to the assessment of all five Outcomes. A single instrument of assessment with stimulus material based on an organisation can be used.

Candidates should be provided with, or directed to, information about such an organisation and its environment. If the candidate is directed to gather information, the stimulus material should ideally be based on an organisation that the candidate is familiar with, or one about which the candidate can easily gather data. Candidates who have current or past work experience may be able to base their assessment on an organisation in which they have worked.

The instruments of assessment should consist of structured questions linked to the Evidence Requirements for each Outcome. Candidates could produce a report based on these structured questions.

An exemplar assessment pack and marking guidelines have been produced to indicate the National Standard of achievement required at SCQF level 8.

**Unit specification: statement of standards**

**Unit title:** Business Culture and Strategy

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The sections of the Unit stating the Outcomes, Knowledge and/or Skills, and Evidence Requirements are mandatory.

**Outcome 1**

Analyse the process by which management can consider the current relationship between the organisation and its external environment

**Knowledge and/or Skills**

- ◆ Forces for change influencing organisations
- ◆ Relationship between an organisation and its environment
- ◆ SWOT analysis

**Evidence Requirements**

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- ◆ using an established analytical framework, provide four examples on how forces for change may impact on the organisation
- ◆ use a SWOT analysis to analyse the current relationship between a particular organisation and its external environment
- ◆ advise on how to conduct a SWOT analysis of a given organisation

**Assessment Guidelines**

All Outcomes could be assessed by one integrated instrument of assessment. The Assessment Guidelines following Outcome 5 give further details.

**Outcome 2**

Assess the relationship between organisational culture and organisational behaviour

**Knowledge and/or Skills**

- ◆ Elements of organisational culture
- ◆ Models of organisational culture
- ◆ Relationships between organisational culture and organisational behaviour

**Evidence Requirements**

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

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- ◆ explain elements of organisational culture in terms of shared values and taken for granted assumptions in a particular organisation
- ◆ provide one example of each element of organisational culture and explain why this example illustrates the element concerned in a particular organisation
- ◆ apply a model of organisational culture to a particular organisation
- ◆ make use of a model of organisational culture to assess the relationship between organisational culture and organisational behaviour in an organisation
- ◆ compare the management approaches associated with two different types of organisational culture

### **Assessment Guidelines**

All Outcomes can be assessed by one integrated instrument of assessment. The Assessment Guidelines following Outcome 5 give further details.

### **Outcome 3**

Explain the influence of business strategy on organisational behaviour

#### **Knowledge and/or Skills**

- ◆ Business strategies
- ◆ Business strategy and 'strategic choice'
- ◆ Business strategy influences on organisational behaviour

#### **Evidence Requirements**

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- ◆ explain four different business strategies together with the business environment which may be appropriate for each strategy
- ◆ explain the connection between business strategy and strategic choice in relation to the experience of a particular organisation
- ◆ compare the influence of two different business strategies on the behaviour of a particular organisation

### **Assessment Guidelines**

All Outcomes can be assessed by one integrated instrument of assessment. The Assessment Guidelines following Outcome 5 give further details.

### **Outcome 4**

Explain how to manage a business strategy

#### **Knowledge and/or Skills**

- ◆ Relationship between changes in business strategy and changes in the organisational environment
- ◆ Benefits gained from an effective business strategy
- ◆ Key issues when managing and changing a business strategy in an organisation
- ◆ Key Factors when updating business strategy

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### **Evidence Requirements**

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- ◆ explain, with reference to the 'forces for change', why the strategy of a particular organisation may have to change over time
- ◆ identify and explain four different benefits that can be gained by a particular organisation from an effective business strategy
- ◆ describe two key issues that must be considered when managing a business strategy in an organisation
- ◆ assess two factors that the management of an organisation should consider when updating their business strategy

The evidence must demonstrate that the candidate has a detailed knowledge of relevant concepts and is able to adopt a critical approach to explanation and assessment. This involves an explicit recognition that the points made could be questioned and of the relative merits of other possibilities.

### **Assessment Guidelines**

All Outcomes can be assessed by one integrated instrument of assessment. The Assessment Guidelines following Outcome 5 give further details.

### **Outcome 5**

Analyse how to manage change within an organisation

#### **Knowledge and/or Skills**

- ◆ Role of management during the process of change
- ◆ Issues to be addressed by management during the process of change
- ◆ Influence of other contributing factors on the management of change
- ◆ Mechanisms for overcoming resistance to change

#### **Evidence Requirements**

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- ◆ analyse the role of management during a change situation in a particular organisation
- ◆ explain clearly how one contributing factor may impact on the management of change in a given situation
- ◆ advise management, with reference to an established conceptual framework, how to analyse change in a particular organisation
- ◆ advise management, with reference to an established conceptual framework, how to overcome resistance to change in a particular organisation

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### **Assessment Guidelines for the Unit**

A holistic approach could be taken to the assessment of all five Outcomes. One piece of stimulus material based on a particular organisation could be used with accompanying questions. It could be a case study where all the requisite information about an organisation is given to candidates. This could be a real or an imaginary organisation. Alternatively, candidates could be asked to gather information about an organisation for themselves. This approach may be particularly suitable for candidates who are familiar with a particular organisation or where the candidate can easily gather data about an organisation.

It is possible, if desired, to use more than one instrument of assessment. If this is done, then different organisations may be used as the basis for different assessment events. It would be possible also to ask candidates to gather their own information for some assessments but to be provided with case study material for others.

Instruments of assessment can take the form of structured questions linked to the situation of a particular organisation. Candidates could be asked to submit a report based on these questions. Alternatively, instead of questions, candidates could be given a series of guidelines and asked to prepare a report based on them. This latter approach may be more appropriate for candidates who are researching an organisation for themselves.

Where case study information on an organisation is provided for candidates, it should be made available to them at a point which will give them time to complete a report to a suitable standard. Every effort should be made to ensure that it is comprehensive and that candidates do not need to gather additional information.

A suitable report is likely to be 3,000–3,500 words. Candidates could be allowed to complete the report in their own time and may make use of any sources of information they wish. Sources of information should be acknowledged.

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### Administrative information

<b>Unit code:</b>	HP6R 48
<b>Unit title:</b>	Business Culture and Strategy
<b>Superclass category:</b>	AG
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#### History of changes:

Version	Description of change	Date

**Source:** SQA

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**FURTHER INFORMATION:** Call SQA's Customer Contact Centre on 44 (0) 141 500 5030 or 0345 279 1000. Alternatively, complete our [Centre Feedback Form](#).

### Unit specification: support notes

#### Unit title: Business Culture and Strategy

This part of the Unit specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 80 hours.

#### Guidance on the content and context for this Unit

This Unit is designed to provide candidates with the knowledge and skills for further study in business or management. It is mandatory within the SQA Advanced Diploma Business Group Award GM8Y 48 but may form part of other group awards or be delivered on a stand-alone basis.

The Unit highlights the dynamic nature of the business environment and the role that business strategy can play in improving the long-term performance of an organisation. It also looks at the part played by organisational culture in the development and implementation of strategy. The Unit also considers the impact of change and how this affects and is affected by business strategy and organisational culture.

The Unit covers all types of organisations and thus includes organisations of different size, public and private organisations, and organisations operating in different markets.

It is designed to:

- ◆ enhance the candidates' understanding of the management theory relating to business culture, business strategy, and the management of change
- ◆ improve the candidates' ability to provide practical advice on how to manage business culture, business strategy, and the management of change

There are a large number of different theories and models which can be used to illustrate the content of this Unit and to explain and analyse the situation in a particular organisation. The following gives some guidance on suitable content. It is neither exhaustive nor prescriptive.

#### Outcome 1

Different kinds of environment can be distinguished such as near (or competitive environment) and the far environment; local, national and international environment.

These different environments can be analysed using models such as Porter's 5 forces model, the industry life cycle and PEST (or variations like PESTEL or STEEP). These underpin the OT part of a SWOT analysis. The procedures for conducting a SWOT analysis can be included within this section.

The SW part of the SWOT could be explored by looking at ideas like a resource audit, the value chain and core competences.

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### **Outcome 2**

Values relate to mission statements, objectives, logo corporate dress code and so on. They can also be referred to as high profile symbols. Taken for granted assumptions, also referred to as low profile symbols include stories, organisational practices, organisational jargon, physical symbols, rituals and routines. The two are related but the former may refer more closely to culture as guiding best practice while the latter may relate more closely to the ways in which organisations are distinguished from each other.

Models of culture could include those suggested by Handy, Trompenars and Deal and Kennedy.

### **Outcomes 3 and 4**

Strategic choices relate to decisions made by an organisation on what strategy to pursue.

Candidates should recognise that strategy has several levels (such as business and corporate) and can be approached in a number of ways including:

- ◆ a contrast between external and internal approaches (the external approach involves finding and defending a particular market position while the internal approach centres on developing and maintaining internal capabilities which evolve with the organisation).
- ◆ different types of generic strategy such as rational, rational, flexible, incremental, creative, behavioural, evolutionary.

Detailed knowledge of the above is not necessary for this Unit but it may help candidates to appreciate the complexity of the issues.

Possible strategies can include Porter's cost leadership, cost focus, differentiation and focused differentiation, Mintzberg's deliberate and emergent strategy. Other classifications include related and unrelated diversification, new product development, improved market penetration, seeking new markets, removing some operations. Models such as the Boston Matrix could also be used to identify suitable strategies.

The relationship between potential changes in business strategy and the organisational environment will consider both micro and macro factors. For example, changes in organisation structure, management styles may well be contributory micro factors. PEST factors may provide a rationale for macro influences

### **Outcome 5**

There are many models for analysing change in an organisation and for overcoming resistance to change.

There are also several contributing factors which may influence the management of change in an organisation. These may include: stakeholder power, business goals, organisation culture, business ethics and social responsibility.

Models for analysing change include Lewin's force field analysis (which may also be relevant to

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Outcome 4) and the change equation (ie when current dissatisfaction plus shared vision of the future plus an acceptable first step outweigh the costs of change). Other models stress the fact that the various parts of an organisation are inter-connected and this should be borne in mind when analysing the possibility of change.

The analysis of change may also be linked to implementing change. There are a number of versions of the preparing–changing–consolidating model such as Lewin's unfreezing and refreezing model.

Kotter and Schlesinger's change continuum may help to decide what strategy to adopt for change and thus how resistance could be overcome. They also suggest several ways of overcoming resistance to change including communication and education; participation and involvement; support and development; negotiation and bargaining; manipulation and co-option; explicit and implicit coercion.

### **Guidance on the delivery and assessment of this Unit**

The Unit may be delivered through lecturer-mediated discussion, the provision of appropriate examples and case studies, and by reading appropriate management texts. The appropriate use of examples can help to keep the Unit relevant to candidates especially if they relate to organisations with which they are familiar.

Candidates should be encouraged to relate theory and practice. They should try to apply models and approaches to particular situations and draw conclusions from this. These conclusions can cover the value of the theoretical approach as well as highlighting the strengths and weaknesses of the behaviour actually undertaken. In this way, candidates can develop their powers of analysis and adopt the habit of making sure that they support their points with credible reasons grounded in the material they have been given.

The Unit aims to merge theory and practice but the focus should be on the practical aspects of managing strategy and change in a way that recognises the role of business culture and takes account of the changing environment. This should be backed up with a broad understanding of the management theory in these areas.

Summative assessment focuses on the experience of organisation. Candidates should be encouraged to practice applying theoretical ideas to the behaviour of organisations during the delivery of the Unit. Formative assessment can be an ongoing part of the Unit with candidates being given the assessments to work on as each topic is taught.

Assessment work should consist of stimulus material based on an organisation. This may be a real or hypothetical situation and the candidate may be given suitable information or asked to gather information about an organisation for themselves. Where the candidate is directed to gather information, the stimulus material should ideally be based on an organisation that the candidate is familiar with, or one about which the candidate can easily gather data. Candidates who have current work experience may use their own workplace as the focus for assessments and identify relevant trends within the business environment that affect their own organisation.

It would be possible, if this is preferred, to set more than one instrument of assessment. Outcome 2, for example, may be assessed separately. If this approach is adopted, different organisations could be used for different instruments of assessment.

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### ***Opportunities for developing Core Skills***

The Core Skill *Communication* at SCQF level 6 may be developed through reading, summarising, analysing and applying some of the managerial and behavioural concepts studied as part of this Unit.

The Core Skill *Problem Solving* at SCQF level 6 may be developed by comparing and contrasting various conceptual frameworks, and providing clear justification of how a particular framework may be appropriate in a particular organisational context.

### **Open learning**

If this Unit is delivered by open learning methods, additional resources will be required for candidate support, assessment and quality assurance. Planning would be required by the centre to ensure the sufficiency and authenticity of candidate's evidence.

### **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.

Further advice can be found on our website [www.sqa.org.uk/assessmentarrangements](http://www.sqa.org.uk/assessmentarrangements).

## **General information for candidates**

### **Unit title:** Business Culture and Strategy

This is a two credit Unit at SCQF level 8. It is recommended that prior to undertaking the Unit you have knowledge of organisational structures and the factors that influence employee behaviour at work.

The Unit is designed to:

- ◆ enhance your understanding of the management theory relating to business culture, business strategy, and the management of change
- ◆ improve your ability to provide practical advice on how to manage business culture, business strategy, and the management of change

The Unit has five Outcomes. The first Outcome investigates the process by which management can analyse the current relationship between the organisation and its external environment. The second Outcome address the problems associated with managing organisation culture. While in the third and fourth Outcomes you will have the opportunity to investigate how business strategy is managed. The fifth Outcome explores the management of change within organisations

The content of the Unit will be kept relevant through the appropriate use of examples and by focusing the areas of study on organisations that are relevant to you. This should provide the flexibility required to study, as appropriate, organisations of different size, public and private organisations, and organisations operating in different markets.

For a successful completion of this Unit, you will be required to achieve a satisfactory level of performance on the assessment work. This will require you to assess the strategy, culture and change of a particular organisation or organisations. To do this, you will be expected to apply the concepts you have learned during the course to the situation of the organisation concerned.

In studying this Unit you will may the opportunity to develop the Core Skills of *Communication* and *Problem Solving* at SCQF level 6.