

<b>Unit Title:</b>	<b>Management Decision Making</b>
OCR unit number:	8
Sector unit number:	15.3 Business Management
Level:	5
Credit value:	10
Guided learning hours:	60
Unit reference number:	K/602/2054

## Unit aim and purpose

The unit aims to give learners an understanding of the need for active and proactive decision making in organisations, including the importance of evaluating the validity and reliability of the information and knowledge available from different sources. Learners will understand the benefits of information and computer technology (ICT) systems and the affect of data protection legislation on the use of ICT when taking decisions. Learners will be able to take management decisions for a non-routine issue and make use of a range of communication techniques to present justified decisions to stakeholders. Learners will be able to review and analyse a management decision making system in order to recommend improvements to it.

Learning Outcomes	Assessment Criteria	Teaching Content
<p><b>The Learner will:</b></p> <p>1 Understand how information and knowledge informs management decision making</p>	<p><b>The Learner can:</b></p> <p>1.1 explain how current information and knowledge needs for management decision making can be analysed</p> <p>1.2 describe sources of information and knowledge that can support management decision making</p> <p>1.3 evaluate the importance of information and knowledge in the management decision making process</p>	<p>This may include:</p> <ul style="list-style-type: none"> <li>• how to analyse information and knowledge using models such as           <ul style="list-style-type: none"> <li>- SWOT</li> <li>- PEST</li> <li>- Pareto Principle/Theory (80/20)</li> </ul> </li> <li>• the reason for analysis such as to           <ul style="list-style-type: none"> <li>- ensure it is valid, accurate, sufficient, reliable</li> <li>- identify when it is inadequate, unreliable, contradictory or ambiguous, and the ways to remedy this</li> </ul> </li> <li>• sources of information and knowledge such as           <ul style="list-style-type: none"> <li>- people i.e. staff, customers, stakeholders</li> <li>- data i.e. manual or electronic</li> <li>- media i.e. newspapers, TV, radio, internet</li> <li>- professional bodies or specialists</li> <li>- national and local government</li> </ul> </li> </ul>

Learning Outcomes	Assessment Criteria	Teaching Content
		<ul style="list-style-type: none"> <li>• decision making processes such as <ul style="list-style-type: none"> <li>- changes in normal routines</li> <li>- planned changes</li> <li>- operational changes</li> <li>- review of work practices</li> <li>- limitations to own authority</li> </ul> </li> <li>• the importance of information and knowledge in the decision making process such as to <ul style="list-style-type: none"> <li>- meet organisational objectives, values, policies and procedures</li> <li>- meet industry/sector requirements</li> <li>- comply with legislation and regulatory requirements</li> <li>- follow codes of practice</li> </ul> </li> <li>• the need for evaluation to cover strengths and weaknesses of information and knowledge, and the likely impact on decisions.</li> </ul>
<p>2 Understand how Information and Communication Technology (ICT) supports management decision making</p>	<p>2.1 identify the ICT systems that can provide information to support management decision making</p> <p>2.2 assess the benefits of using information from ICT systems when making management decisions</p> <p>2.3 explain how data protection legislation affects the use of information from ICT systems in the management decision process</p>	<p>This may include</p> <ul style="list-style-type: none"> <li>• ICT systems and how they support decision making such as <ul style="list-style-type: none"> <li>- software e.g. databases, spread sheets word processing, presentation software</li> <li>- electronic communication i.e. emails, video conferencing</li> <li>- internet and intranet</li> <li>- management information systems (MIS)</li> <li>- data mining or warehousing</li> <li>- decision support systems (DSS)</li> </ul> </li> <li>• assessment of the benefits of using information from ICT such as <ul style="list-style-type: none"> <li>- qualitative information</li> <li>- quantitative information</li> <li>- graphical or pictorial.</li> <li>- accuracy, reliability and timeliness</li> <li>- cost effectiveness</li> </ul> </li> <li>• the effect on use of information from ICT such as the Data Protection Act, Freedom of Information Act and Computer Misuse Act 1990</li> </ul>

Learning Outcomes	Assessment Criteria	Teaching Content
<p>3 Be able to take management decisions</p>	<p>3.1 analyse stakeholder needs and expectations</p> <p>3.2 use current information and knowledge to identify an issue where a proactive decision is required</p> <p>3.3 establish the outcomes that need to be achieved when making a management decision</p> <p>3.4 justify the basis for making a management decision</p> <p>3.5 take a management decision</p> <p>3.6 communicate a management decision to stakeholders</p>	<p>This may include</p> <ul style="list-style-type: none"> <li>• stakeholders who are <ul style="list-style-type: none"> <li>- internal such as team members, functional areas, management</li> <li>- external such as suppliers, customers, agencies, professional bodies</li> </ul> </li> <li>• stakeholder needs and expectations <ul style="list-style-type: none"> <li>- qualitative</li> <li>- quantitative</li> <li>- problem or conflict resolution</li> </ul> </li> <li>• an issue could be due to <ul style="list-style-type: none"> <li>- failure of a resource or a process</li> <li>- a problem/complaint raised by a customer/stakeholder</li> <li>- an abnormal situation i.e. emergency, product recall</li> </ul> </li> <li>• the meaning of proactive in terms of forward thinking and analysis; identifying alternatives to an issue; reviewing processes regularly and making adjustments based on evaluation of fact</li> <li>• outcomes to be achieved such as <ul style="list-style-type: none"> <li>- the effective use of resources</li> <li>- work load adjustment</li> <li>- meeting the expectations and needs of stakeholder</li> </ul> </li> <li>• how to justify decisions by setting out the facts on which the decision is based; proving that the information used is valid and accurate; referring to established criteria; relating to trends and known patterns.</li> <li>• communicating the decision to stakeholders such as <ul style="list-style-type: none"> <li>- verbal communication i.e. 1 to 1 meetings, team meetings, presentations, telephone, video conferencing</li> <li>- written i.e. reports, letters, memos, emails, newsletters, leaflets</li> </ul> </li> </ul>

Learning Outcomes	Assessment Criteria	Teaching Content
4 Be able to plan improvements to a management decision making system	4.1 review a management decision making system 4.2 analyse the strengths and weaknesses of a management decision making system 4.3 plan justified improvements to a management decision making system	This may include <ul style="list-style-type: none"> <li>• a decision making system such as               <ul style="list-style-type: none"> <li>- ad-hoc and individual</li> <li>- formal process mapping systems i.e. fishbone, flowcharts</li> <li>- quantitative i.e. numerical, criteria based</li> <li>- qualitative i.e. surveys</li> <li>- risk analysis</li> <li>- situational analysis i.e. simulation, role play</li> </ul> </li> <li>• the planning stages such as objective to be achieved, resources, review and target dates.</li> <li>• the need to justify improvements based on analysis of the system</li> </ul>

## Assessment

This unit is centre assessed and externally verified. In order to achieve the unit the learner must produce a portfolio of evidence which, on request, should be made available to the OCR external verifier for sampling.

Portfolios of work must be independently produced by individual learners and Centres must confirm to OCR that the evidence is authentic. The OCR 'evidence record sheets' (or similar) should be completed and signed by the learner and the assessor to confirm this.

It is a requirement of the Ofqual Common Criteria for all qualifications that proof of authentication is provided.

## Evidence requirements

In order to achieve this unit the learner must demonstrate that they have met all of the stated learning outcomes and assessment criteria.

Evidence can be produced either through real work or by means of simulated activities.

## Guidance on assessment and evidence requirements

**If the unit is to be taught in a college or other learning environment, tutor/assessors could consider the following examples of how this unit can be achieved and assessed.**

LO1 Learner/s could be presented with a case study requiring them to identify valid and reliable sources of information and knowledge and use analytical techniques to evaluate the importance of the information and knowledge in the decision making process. Learner/s could present their findings in the form of SWOT, PEST or situational analysis(AC1.1 to 1.3).

LO2 Learner/s could work individually or in groups to research ICT systems. A scenario could be used to provide an opportunity to assess which ICT system would be of benefit for the decision making. A report could be produced and include the affect of data protection legislation (AC 2.1 and 2.2). This activity could link to the case study in LO1 or be based on a different situation.

LO3 Learner/s could be provided with a case study of an individual/department and complete a mind map showing stakeholders, including their expectations and needs (AC3.1). Learner/s could individually or in groups be presented with a scenario of a management issue with a brief to take a proactive, justifiable management decision and communicate it to stakeholders. This could involve a presentation to a stakeholder (AC3.2 to 3.6).

LO4 Learner/s could reflect on the scenario and processes used in LO3 and be asked to review the decision making system they used, analyse its relevance to the scenario and its effectiveness. As a result of the analysis the learner/s could plan improvements by suggesting how an alternative decision making system would have produced stronger decision making (AC4.1 to 4.3).

**NOTE:** Where learners are asked to work in groups, it is important that outcomes can be attributable to individuals within the groups.

**If the unit is to be completed through real work, examples of appropriate sources of evidence could include:**

- personal statements
- recorded professional discussion with the assessor
- case studies, endorsed by someone who can attest to the accuracy
- witness statements
- outcomes from research, referenced to the source
- work product such as records of analysis of stakeholder expectations and needs, minutes of meetings/communications with colleagues &/or stakeholders, review of decision making systems and the plan for improvement.

**NOTE:** It is good practice to 'signpost' work product to the workplace rather than place in a portfolio.

You should refer to the '*Admin Guide: Vocational Qualifications (A850)*' for *Notes on Preventing Computer-Assisted Malpractice*.

## National Occupational Standards (NOS) mapping/signposting

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The mapping in the table below provides an indication of where evidence might be available for assessment against some of the knowledge and understanding contained in the national occupational standards (NOS). It does not claim to guarantee that evidence will meet the NOS.

NOS can be viewed on the relevant Sector Skills Council's website or the Occupational standards directory at [www.skillsfca.org](http://www.skillsfca.org)

Occupational standards	Unit number	Title
Management and Leadership	CFAM&LDD1	Work productively with colleagues and stakeholders
Management and Leadership	CFAM&LDD2	Develop working relationships with colleagues and stakeholders
Management and Leadership	CFAM&LEC5 CFAM&LEC4	Make effective decisions

## Functional skills signposting

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This section indicates where candidates may have an opportunity to develop their functional skills.

Functional Skills Standards					
English		Mathematics		ICT	
Speaking and Listening	✓	Representing		Use ICT systems	✓
Reading	✓	Analysing	✓	Find and select information	✓
Writing	✓	Interpreting	✓	Develop, present and communicate information	✓

## Resources

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Stationery, a CD-rom, removable pen drive

Access to photocopier, PC and printer is desirable but not essential.

Access to sources of under-pinning knowledge such as websites, books, journals, etc, might be of help, but you are not expected to reproduce other people's written work. For example:

British Journal of Management (John Wiley and Sons)

Management Today (Haymarket Business Media)

The Information Commissioner's Office [www.ico.gov.uk](http://www.ico.gov.uk)

Free management library with links to articles on decision making [www.managementhelp.org](http://www.managementhelp.org)

Peter Drucker: The Practice of Management ISBN-13: 978-0750685047

T Lucey: Management Information Systems ISBN-13: 978-8170299998

Helga Drummond: Guide to Decision-Making: Getting it more right than wrong  
ISBN-13: 978-1846683756

## Additional information

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For further information regarding administration for this qualification, please refer to the OCR document '*Admin Guide: Vocational Qualifications*' (A850) on the OCR website [www.ocr.org.uk](http://www.ocr.org.uk).