

Cambridge **TECHNICALS LEVEL 3**

BUSINESS

Cambridge
TECHNICALS
2016

Unit 17

Responsible business practices

T/507/8164

Guided learning hours: 60

**Version 3 Assessment guidance and Opportunities for
applying learning across units updated - August 2016**



LEVEL 3

UNIT 17: Responsible business practices

T/507/8164

Guided learning hours: 60

Essential resources required for this unit: None

Recommended assessment: We recommend that this is a practical assignment which could be delivered alongside Unit 20

This unit is internally assessed and externally moderated by OCR.

UNIT AIM

This unit introduces the concept of responsible business practices (sometimes known as corporate social responsibility). By this we mean how a business manages its activities to produce a positive impact on society. In implementing responsible business practices, a business can be responding to legislation and regulations while some show a commitment to behaving ethically and contributing to economic development and improving the quality of life of the workforce, their families and of the local community.

Businesses do not exist in isolation; their actions have an impact on the various stakeholders of the business. No matter how large an organisation, it cannot ignore the importance of upholding the principles of corporate social responsibility and of making decisions which seem right, fair and ethical for society.

You will look at and review the impact of different stakeholders on business decisions and how the issues involved can at times be contradictory and difficult to address. You will have the opportunity to explore the social implications of business ethics and corporate responsibilities on a wide range of business activities. This will include topical issues such as whistle blowing, employment practices such as zero-hours contracts, advertising to children, environmental awareness and the use of new technologies.

TEACHING CONTENT

The teaching content in every unit states what has to be taught to ensure that learners are able to access the highest grades.

Anything which follows an i.e. details what must be taught as part of that area of content. Anything which follows an e.g. is illustrative. It should be noted that where e.g. is used, learners must know and be able to apply relevant examples in their work, although these do not need to be the same ones specified in the unit content.

For internally-assessed units you need to ensure that any assignments you create, or any modifications you make to an assignment, do not expect the learner to do more than they have been taught, but must enable them to access the full range of grades as described in the grading criteria.

Learning outcomes	Teaching content
The Learner will:	Learners must be taught:
1. Understand how businesses operate responsibly	<p>(When introducing this learning outcome, tutors should cover the meaning of key terms such as:</p> <ul style="list-style-type: none"> • ethics • ethical values • corporate social responsibility • the difference between legal and ethical responsibilities (e.g. enforceable by law, what the business or society think is right)) <p>1.1 Why businesses operate responsibly, i.e.</p> <ul style="list-style-type: none"> • to comply with legislation and regulations • comply with the principles of corporate governance • address environmental issues • promote sustainability • avoid accusations of corruption • fair trade employers • provide fair working conditions • professional bodies' code of conduct <p>1.2 How business operate responsibly, i.e.</p> <ul style="list-style-type: none"> • human resources (e.g. pay fair/living wage, good working conditions) • production (e.g. source raw materials responsibly, reduce waste, reduce energy consumption, reduce packaging) • finance (e.g. apply ethical accounting methods) • marketing (e.g. take into consideration what is in the best interests of society, reinforce social and ethical values, pricing strategies) • local community (e.g. consider impact on local environment, support for local charities, sponsorship/charity involvement)

Learning outcomes	Teaching content
The Learner will:	Learners must be taught:
<p>2. Understand the importance of adopting responsible business practices</p>	<p>2.1 The different stakeholder groups and their different needs for a business to adopt responsible business practices, i.e.</p> <ul style="list-style-type: none"> • owners (e.g. good reputation, high profits, customer satisfaction) • employees (e.g. security of employment, good working conditions, good rate of pay) • customers (e.g. good quality products, choice of products, low prices) • suppliers (e.g. regular orders, being paid on time, sustainable resources) • competitors (e.g. share of market, innovative products/services) • local community (e.g. clean environment, opportunities for employment) • pressure groups (e.g. protect the interests of different groups) <p>2.2 Reasons for adopting responsible business practices, i.e.</p> <ul style="list-style-type: none"> • to meet the needs of different stakeholder groups (e.g. good working conditions, quality products, better pay, low prices, favourable payment terms, clean environment, sustainable resources) • to meet business needs (e.g. to improve reputation, have better public relations, improve recruitment prospects, to increase sales, to increase productivity, to improve business profile, to improve efficiency, to improve customer satisfaction) <p>2.3 The consequences of a business failing to operate responsibly (e.g. loss of customer confidence/loyalty, poor reputation, reduced competitiveness, challenges from pressure groups, lack of compliance with relevant legislation and codes of practice)</p>
<p>3. Be able to review the impact of responsible business practices on different stakeholders</p>	<p>3.1 Sources of information for a review, i.e.</p> <ul style="list-style-type: none"> • social and environmental audits, i.e. <ul style="list-style-type: none"> ○ employment indicators (e.g. treatment, training, pay, equal opportunities, pensions, fringe benefits, employee representation) ○ human rights indicators (e.g. child labour, ethical supplies) ○ product responsibility (e.g. social impact of product/service, after-sales service, advertising, data protection) ○ environmental indicators (e.g. amount/type of energy used, chemicals used, waste management) • feedback from stakeholders (e.g. customer complaints, customer enquiries, surveys) • research articles • media and press releases

Learning outcomes	Teaching content
The Learner will:	Learners must be taught:
	<p>3.2 Business practices to be reviewed, i.e.</p> <ul style="list-style-type: none"> • finance (e.g. bribery, insider trading, executive pay) • human resources (e.g. discrimination, worker surveillance) • production (e.g. animal testing, genetic modification, planned obsolescence) • sales (e.g. spamming, product placement) • intellectual property (e.g. software piracy, counterfeiting)
<p>4. Understand the difficulties and potential conflicts businesses face when implementing responsible business practice(s)</p>	<p>4.1 The difficulties faced by businesses in operating responsibly, i.e.</p> <ul style="list-style-type: none"> • cost implications • training needs • expected impact not achieved or outcomes are negligible • consumer cynicism (e.g. consumer scepticism about business' true motivations for corporate responsibility) • keeping up to date with external policies <p>4.2 How businesses deal with conflicts of interest, i.e.</p> <ul style="list-style-type: none"> • potential conflicts of interest that may exist between different stakeholder groups (e.g. better pay for employees versus increased salary costs/less dividends, cleaner environment versus costly production processes) • how businesses deal with potential conflicts of interest (e.g. identify, record and manage conflicts of interest, set clear standards, find an alternative way forward) • how businesses manage ongoing conflicts of interests (e.g. attempt to balance needs of stakeholders, set expectations, phased implementation of new practices, negotiation with stakeholders, collaborative working)

GRADING CRITERIA

LO	Pass	Merit	Distinction
The learner will:	The assessment criteria are the Pass requirements for this unit.	To achieve a Merit the evidence must show that, in addition to the Pass criteria, the candidate is able to:	To achieve a Distinction the evidence must show that, in addition to the Pass and Merit criteria, the candidate is able to:
1. Understand how businesses operate responsibly	P1*: Explain how and why a specific organisation operates responsibly		
2. Understand the importance of adopting responsible business practices	P2*: Explain why a specific business has adopted responsible business practices	M1: Assess the processes a specific business went through to select which responsible business practices to implement	D1: Justify the choice of responsible business practices that a specific business has implemented
	P3*: Describe the consequences for a specific business of failing to operate responsibly		
3. Be able to review the impact of responsible business practices on different stakeholders	P4*: Review the responsible business practices of a specific business to determine if these meet the needs of its stakeholders		
4. Understand the difficulties and potential conflicts businesses face when implementing responsible business practice(s)	P5*: Explain the difficulties that a specific business may face in implementing responsible business practice(s)		
	P6*: Explain the impact of conflicts of interest that a specific business has faced or might face when implementing responsible business practices	M2: Explain how a specific business reached a compromise when dealing with conflicting stakeholder needs	D2: Evaluate the success or failure of the compromise that a specific business has reached when dealing with conflicting stakeholder needs

ASSESSMENT GUIDANCE

It is important for learners to have the opportunity to learn and apply their knowledge and skills to meaningful substantial tasks, in order to successfully achieve the unit.

Feedback to learners: you can discuss work-in-progress towards summative assessment with learners to make sure it's being done in a planned and timely manner. It also provides an opportunity for you to check the authenticity of the work. You must intervene if you feel there's a health and safety risk.

Learners should use their own words when producing evidence of their knowledge and understanding. When learners use their own words it reduces the possibility of learners' work being identified as plagiarised. If a learner does use someone else's words and ideas in their work, they must acknowledge it, and this is done through referencing. Just quoting and referencing someone else's work will not show that the learner knows or understands it. It has to be clear in the work how the learner is using the material they have referenced **to inform their** thoughts, ideas or conclusions.

For more information about internal assessment, including feedback, authentication and plagiarism, see the centre handbook. Information about how to reference is in the OCR *Guide to Referencing* available on our website: <http://www.ocr.org.uk/i-want-to/skills-guides/>.

All of the criteria can be accessed by considering one specific business. Careful consideration should be given to the business chosen to make sure learners can meet the all of the criteria, including Merit and Distinction

For LO3 and LO4, it is recommended that learners produce all of their evidence in a standard report because this is good business practice. It will also enable learners to build on their learning of report writing from Unit 2. It is not, however, a requirement that the evidence for LO3 and LO4 is presented as a report.

SYNOPTIC ASSESSMENT

It will be possible for learners to make connections between other units over and above the unit containing the key tasks for synoptic assessment, please see section 6 of the centre handbook for more detail. We have indicated in this unit where these links are with an asterisk and provided more detail in the next section.

*OPPORTUNITIES FOR APPLYING LEARNING ACROSS UNITS

This identifies opportunities for developing links between teaching and learning with other units in the business suite.

Name of other unit and related LO	This unit and specified LO
Unit 1 The business environment LO5 Understand the relationship between businesses and stakeholders LO6 Understand the external influences and constraints on businesses and how businesses could respond	LO1 Understand how business operate responsibly LO2 Understand the importance of adopting responsible business practices

Name of other unit and related LO	This unit and specified LO
Unit 2 Working in business LO1 Understand protocols to be followed when working in business	LO1 Understand how businesses operate responsibly
Unit 3 Business decisions LO1 Understand factors to be taken into account when making business decisions	LO2 Understand the importance of adopting responsible businesses practices
Unit 4 Customers and communication LO5 Know the constraints and issues which affect the sharing, storing and use of information for business communications	LO1 Understand how business operate responsibly
Unit 5 Marketing and market research LO2 Know the constraints on marketing	LO1 Understand how business operate responsibly
Unit 6 Marketing strategy LO2 Understand factors influencing marketing strategies	LO1 Understand how business operate responsibly
Unit 7 Marketing campaign LO2 Understand the elements of the marketing mix	LO2 Understand the importance of adopting responsible business practices
Unit 8 Introduction to human resources LO1 Know the factors that are involved in human resources planning LO3 Understand how and why businesses motivate employees	LO1 Understand how businesses operate responsibly LO2 Understand the importance of adopting responsible business practices
Unit 9 Human resources LO1 Understand the responsibilities of the human resources function and the factors that affect it LO2 Understand how and why businesses motivate employees and how the effectiveness of motivation strategies can be measured LO3 Understand effective employee relations LO4 Understand factors influencing employee engagement within a business LO6 Understand why and how businesses manage conflict in the workplace LO7 Be able to make recruitment and selection decisions	LO1 Understand how business act responsibly LO2 Understand the importance of adopting responsible business practices LO3 Be able to review the impact of responsible business practices on different stakeholders LO4 Understand the difficulties and potential conflicts businesses face when implementing responsible business practice(s)
Unit 11 Accounting concepts LO1 Understand why businesses keep accurate accounting records	LO2 Understand the importance of adopting responsible business practices
Unit 12 Financial accounting LO1 Understand the impact of legislation, concepts and principles on accounting processes	LO1 Understand how businesses operate responsibly

Name of other unit and related LO	This unit and specified LO
Unit 13 Management accounting LO1 Understand business costs and pricing methods used by businesses	LO1 Understand how businesses operate responsibly
Unit 14 Resource management LO2 Understand factors that influence how physical resources are managed by businesses LO3 Understand how resource management can contribute to business performance	LO1 Understand how businesses operate responsibly LO2 Understand the importance of adopting responsible business practices LO4 Understand the difficulties and potential conflicts businesses face when implementing responsible business practice(s)
Unit 15 Change management LO1 Understand the drivers of change	LO4 Understand the difficulties and potential conflicts businesses place when implementing responsible business practice(s)
Unit 19 International business LO2 Understand the opportunities and challenges that businesses face when operating internationally	LO2 Understand the importance of adopting responsible business practices
Unit 20 Business events LO1 Be able to prepare for a business event	LO1 Understand how businesses operate responsibly
Unit 21 Being entrepreneurial – evaluating viable opportunities LO4 Be able to evaluate the viability of opportunities	LO3 Be able to review the impact of responsible business practices on different stakeholders
Unit 22 LO1 Be able to scope a project LO2 Be able to collaborate to deliver a project	LO1 Understand how businesses operate responsibly LO2 Understand the importance of adopting responsible business practices LO4 Understand the difficulties and potential conflicts businesses face when implementing responsible business practice(s)

To find out more

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