

# Unit 1: Business Administration Systems

<b>Unit reference number:</b>	<b>F/506/4140</b>
<b>QCF Level:</b>	<b>4</b>
<b>Credit value:</b>	<b>6</b>
<b>Guided learning hours:</b>	<b>31</b>

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## Unit aim

The aim of the unit is to give learners an understanding of administrative systems in organisations and the contribution of systems thinking to efficient administrative performance. There is a focus on understanding how the role and function of policies and procedures enable organisations to meet customer requirements.

## Unit introduction

All organisations have a back office, the places where administration takes place away from the view of customers. Administration is an important part of business activity. Invoices have to be sent out, money collected, records of hours worked have to be maintained and wages and salaries have to be paid.

In this unit, you will learn about the features of administrative systems employed in different types and sizes of organisations with an explanation of how information flows are managed. The arrival of information and communication technology (ICT) and its increasing sophistication mean that it is now widely used in supporting administration and improving the efficiency of organisations.

This unit will help you to understand how systems thinking affects the administrative performance of organisations, by looking at its contribution to efficient administrative performance, the stages of systems development and the potential drawbacks of systems thinking in a business context. There are significant benefits to implementing systems change, particularly when it improves the administrative performance of an organisation. For example, systems for online billing and collecting debts with direct debits improve the cash flow in an organisation whilst at the same time reducing costs.

A distinction will be drawn between administrative policies and administrative procedures, both formal and informal, and the relationship between them, particularly in respect of the role and function of policies and procedures in meeting customer requirements by evaluating the extent to which they are effective.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

### On completion of this unit a learner should:

Learning outcomes	Assessment criteria
1 Understand administrative systems	1.1 Explain the features of administrative systems used in different types and sizes of organisation 1.2 Explain how organisations manage the flow of information 1.3 Evaluate the role of information and communication technology (ICT) in supporting administration
2 Understand how systems thinking affects the administrative performance of organisations	2.1 Explain the stages of systems development 2.2 Explain the contribution of systems thinking to efficient administrative performance 2.3 Analyse the drawbacks to systems thinking in an organisational context 2.4 Evaluate the benefits of implementing systems change
3 Understand the role of policies and procedures in meeting customer requirements	3.1 Explain the difference between administrative policies and procedures 3.2 Analyse the purpose of formal and informal administrative policies and procedures 3.3 Analyse methods for evaluating the effectiveness of procedures 3.4 Analyse the relationship between formulating policy and preparing procedures 3.5 Analyse how to ensure the procedures meet customer requirements

## Unit content

### 1 Understand administrative systems

*Administrative systems:* size of organisation; type of organisation; purposes, e.g. support business activity, provide back office services; functional areas, e.g. personnel, payroll, purchasing, sales, accounting, client management; methods, e.g. paper based, computer based

*Managing information flow:* information flows between information generators and information users; information flows across functional areas; internal flows; external flows; types of information, e.g. text, numbers, graphics, audio, video; content; level of detail; volume of information; timing; intelligibility; differentiating between essential and useful information; frequency; storage; retrieval; recording information flows; confirming receipt of information; acting on information

*Role of information and communication technology (ICT) in supporting administration:* hardware; software, e.g. databases; local area networks; wide area networks; world wide web; supporting administration; storing data; manipulating data; retrieving information; formatting information for users to provide intelligibility and clarity; speed of information flows; consistent information; information integration; information analysis

### 2 Understand how systems thinking affects the administrative performance of organisations

*Stages of systems development:* investigation; analysis; design; testing; documenting; implementation; operation; maintenance

*Systems thinking:* organisation systems; organisation sub-systems; interaction of system components on a system; hard systems; soft systems; contribution to efficient administrative performance; problem solving; performance analysis; dealing with recurring problems; action affecting environment; unobvious problem solving; drawbacks to systems thinking; unplanned consequences; time requirement; unclear system boundaries; failure to see 'the big picture'

*Benefits of implementing systems change:* efficiency; cost reduction; revenue generation; integration of processes both internal and external; fewer staff; immediacy of response; responsiveness to user needs; closeness to the customer (internal, external); competitive advantage; supporting achievement of organisation goals

### 3 **Understand the role of policies and procedures in meeting customer requirements**

*Administrative policy and procedures:* policies (formal and informal); formal administrative policies and procedures; broad philosophy; principles; rules to guide decisions, e.g. equality policy, health and safety policy; achievement of specified outcomes; regulation of actions and conduct; procedures (formal and informal); specific rules, e.g. procedure for dealing with late payers; relationship between formulating policy and producing procedures; support the implementation of a policy; establish accountability, e.g. who, what, where, when, why; characteristics, e.g. specific, factual, succinct, to the point; content, e.g. descriptions of processes, timelines, forms, templates; standard operating procedures; methods of procedure; informal administrative policies and procedures; custom and practice; undocumented; short circuit established policies and procedures to achieve desired outcomes; update and amend formal policies and procedures; provide advice or ideas; provide specific guidance

*Procedures meeting customer requirements:* customer needs; match product and/or service to customer requirements; provide product and/or service to customer; provide information; provide support; customer relationship management; customer views; feedback; customer tracking

*Methods for evaluating the effectiveness of procedures:* monitor; gather data from interested parties; review against best practice and/or desired outcomes; evaluate; propose improvements and/or changes

## Essential guidance for tutors

### Delivery

Learners are expected to enquire into the topics under discussion, to question theory and to compare and contrast theory with their professional knowledge and practice. For some learners this will mean building on existing knowledge and earlier studies, while for others it will mean drawing on experience gained in a work environment.

Delivery will be through blended learning, using business resources and class-based teaching. Standard tuition materials, texts, business simulations, exercises and formative assessments can be used. Other delivery techniques can also be used, for example, practical work, role play, tutorials, seminars and discussion groups where personal and professional practice can be shared and discussed can also be used. Learners are encouraged to engage in social learning to carry out practical work, discuss problems, consider experiences, work on case studies, prepare reports for presentation and carry out research on an organisations administration systems. Learners in work are expected to use their working context and roles to learn about the practical techniques associated with an organisations administration systems.

## Assessment

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the assessment requirements. Centres can adapt the guidance for learners and the particular assessment context, as appropriate.

It is important that suitable organisations are chosen for investigation so that learners can acquire the information they need to meet the assessment criteria.

Evidence can be presented as written reports or presentations. If presentations are used, then copies of slides, handouts and presenter notes must be included, as well as learner observation records completed by the tutor.

For assessment criterion 1.1, learners will need to explain the features of administrative systems used in different sizes of organisations. For assessment criterion 1.2, learners will need to explain how organisations manage the flow of information. This can be built on for assessment criterion 1.3, evaluate the role of information and communication technology (ICT) in supporting administration.

Learners should use a selected organisation for learning outcome 2. For assessment criteria 2.1 and 2.2, learners need to explain the stages of systems development and explain the contribution of systems thinking to efficient administrative performance. This can be built on for assessment criteria 2.3 and 2.4, analyse the drawbacks to systems thinking in an organisational context and evaluate the benefits of implementing change.

Learners should also use their selected organisation for learning outcome 3. For assessment criterion 3.1, learners need to explain the difference between administrative policies and procedures. This can be built on for assessment criteria 3.2 and 3.3, analyse the purpose of formal and informal administrative policies and procedures and analyse methods for evaluating the effectiveness of procedures.

For assessment criteria 3.4 and 3.5, learners need to analyse the relationship between formulating policy and preparing procedures and analyse how to ensure the procedures meet customer requirements.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

## Indicative resource materials

### Books

Appleby R C – *Modern Business Administration* (Financial Times/Prentice Hall, 1994) ISBN: 9780273602828

Benyon-Davies P – *Business Information Systems* (Palgrave Macmillan, 2009) ISBN: 9780230203686

Sherwood D – *Seeing the Forest for the Trees: A Manager's Guide to Applying Systems Thinking* (Nicholas Brealey Publishing, 2002) ISBN: 9781857883114

### Websites

[www.bized.co.uk](http://www.bized.co.uk) – Biz/ed: business education site with materials on business administration

[www.managementhelp.org](http://www.managementhelp.org) – Free management library: articles on various aspects of business administration, policies and procedures. Also has materials on finance