

**Inspecting post-16
business education**
with guidance on
self-evaluation

HMI 308

© Crown Copyright 2001

Office for Standards in Education
Alexandra House
33 Kingsway
London
WC2B 6SE

Telephone: 020 7421 6800

This document may be reproduced in whole or in part for non-commercial educational purposes, provided that all extracts quoted are reproduced verbatim without adaptation and on condition that the source and date thereof are stated.

Further copies are available, while stocks last, from:

The OFSTED publications centre

Telephone 07002 637833

Fax 07002 693274

email freepublications@ofsted.gov.uk

It may also be downloaded from the
OFSTED website (www.ofsted.gov.uk)

Reference number: HMI 308

The post-16 subject guidance series currently comprises: art and design; business education; classics; design and technology; drama and theatre studies; engineering and manufacturing; English; geography; government and politics; health and social care; history; information and communication technology; law; mathematics; media education; modern foreign languages; music; physical education; religious studies; science; sociology.

Contents

Introduction	1
Common requirements	3
1 Standards and achievement	5
1.1 Evaluating standards and achievement	5
1.2 Analysis of students' work	6
1.3 Talking with students	7
1.4 Lesson observation	8
2 Teaching and learning	11
2.1 Evaluating teaching and learning	11
2.2 Lesson observation	12
2.3 Other evidence on teaching and learning	16
3 Other factors affecting quality	17
4 Writing the report	19

Introduction

This booklet aims to help inspectors and staff in schools and colleges to evaluate standards and quality in business education for students post-16. It complements the *Handbook for Inspecting Secondary Schools* (1999), the supplement *Inspecting School Sixth Forms* (2001) and the *Handbook for Inspecting Colleges* (2001). It replaces the earlier guidance *Inspecting Subjects and Aspects 11–18* (1999).

This guidance concentrates on issues specific to business education. General guidance is in the *Handbooks*. Use both to get a complete picture of the inspection or evaluation process.

This booklet is concerned with evaluating standards and achievement, teaching and learning, and other factors that affect what is achieved. It outlines how to use students' work and question them, the subject-specific points to look for in lessons, and how to draw evaluations together to form a coherent view of the subject.

Examples are provided of evidence and evaluations from college and school sixth-form inspections, with commentaries to give further explanation. These examples are included without any reference to context, and will not necessarily illustrate all of the features that inspectors will need to consider. The booklets in the series show different ways of recording and reporting evidence and findings; they do not prescribe or endorse any particular method or approach.

Inspectors and senior staff in schools and colleges may need to evaluate several subjects and refer to more than one booklet. You can download any of the subject guidance booklets from OFSTED's website www.ofsted.gov.uk.

Our Inspection Helpline team, on 020 7421 6680 for schools and 020 7421 6703 for colleges, will be pleased to respond to your questions. Alternatively, you can email schoolinspection@ofsted.gov.uk or collegeinspection@ofsted.gov.uk.

OFSTED's remit for this sector is the inspection of education for students aged 16–19, other than work-based education. In schools, this is the sixth-form provision. In colleges, the 16–19 age-group will not be so clearly identifiable; classes are likely to include older students and, in some cases, they will have a majority of older students. In practice, inspectors and college staff will evaluate the standards and quality in these classes regardless of the age of the students.

If you have responsibility for looking at business education, you may have a range of courses to consider. In school sixth forms, they are most likely to be academic courses in economics and business studies and general vocational courses in business. The academic courses are General Certificate of Secondary Education (GCSE) and General Certificate of Education (GCE) Advanced Subsidiary (AS) and Advanced Level (A Level). There may also be students working for the Advanced Extension Award (AEA) in economics. General vocational courses are the Foundation and Intermediate General National Vocational Qualification (GNVQ) and the Advanced Vocational Certificate of Education (AVCE) (formerly called Advanced GNVQ). In colleges, there is likely to be, in addition, a wide range of accounting, secretarial and business administration courses.

This booklet concentrates on the most commonly found courses for students 16–19. However, the principles illustrated can be applied more widely.

In all business courses, you should expect to find links with the local and wider business community.

Well under half of students follow business education courses at Key Stage 4, so most who opt for this subject area post-16 have little previous knowledge and understanding of it. Where groups contain both students who have and those who have not studied business previously, observe whether teachers take account of this difference or whether there are some students who simply mark time while the others catch up.

Common requirements

All inspectors share the responsibility for determining whether a school or college is effective for all its students, whatever their educational needs or personal circumstances. As part of this responsibility, ensure that you have a good understanding of the key characteristics of the institution and its students. Evaluate the achievement of different groups of students and judge how effectively their needs and aspirations are met and any initiatives or courses aimed specifically at these groups of students. Take account of recruitment patterns, retention rates and attendance patterns for programmes and courses for different groups of students. Consider the individual goals and targets set for students within different groups and the progress they make towards achieving them.

You should be aware of the responsibilities and duties of schools and colleges regarding equal opportunities, in particular those defined in the Sex Discrimination Act 1957, the Race Relations Act 1976 and the Race Relations (Amendment) Act 2000, and the Special Educational Needs and Disability Act 2001. These Acts and related codes of practice underpin national policies on inclusion, on raising achievement and on the important role schools and colleges have in fostering better personal, community and race relations, and in addressing and preventing racism.¹

As well as being thoroughly familiar with subject-specific requirements, be alert to the unique contribution that each subject makes to the wider educational development of students. Assess how well the curriculum and teaching in business education enable all students to develop key skills, and how successfully the subject contributes to the students' personal, social, health and citizenship education, and to their spiritual, moral, social and cultural development. Judge how effectively the subject helps prepare students aged 16–19 for adult life in a culturally and ethnically diverse society.

¹ See Annex *Issues for Inspection arising from the Stephen Lawrence Inquiry (Macpherson Report)* in *Evaluating Educational Inclusion*, OFSTED, 2000, p13.

1 Standards and achievement

1.1 Evaluating standards and achievement

From the previous inspection report, find out what you can about standards and achievement at that time. This will give you a point of comparison with the latest position, but do not forget that there is a trail of performance data, year by year. Analyse and interpret the performance data available for students who have recently completed the course(s). Draw on the school's *Pre-Inspection Context and School Indicator* (PICSi) report or, in the case of a college, the *College Performance Report*. Also analyse the most recent results provided by the school or college and any value-added information available. When numbers are small, exercise caution in making comparisons with national data or, for example, evaluating trends. For further guidance on interpreting performance data and analysing value added, refer to *Inspecting School Sixth Forms*, the *Handbook for Inspecting Colleges* and the *National Summary Data Report for Secondary Schools*.

Where you can, form a view about the standards achieved by different groups of students. For example, there may be data which enable you to compare how male and female students or different ethnic groups are doing, or how well 16-19 year old students achieve in relation to older students.

Make full use of other information which has a bearing on standards and achievement, including success in completing courses, targets and their achievement, and other measures of success.

You should interpret, in particular:

- trends in results;
- comparisons with other subjects and courses;
- distributions of grades, particularly the occurrence of high grades;
- value-added information;
- the relative performance of male and female students;
- the performance of minorities and different ethnic groups;
- trends in the popularity of courses;
- drop-out or retention rates;
- students' destinations, where data are available.

On the basis of the performance data and other pre-inspection evidence, form hypotheses about the standards achieved, whether they are as high as they should be, and possible explanations. Follow up your hypotheses through observation and analysis of students' work and talking with them. Direct inspection evidence tells you about the standards at which the current students are working, and whether they are being sufficiently stretched. If the current standards are at odds with what the performance data suggest, you must find out why and explain the differences carefully.

Your judgements about the standards of work you see during an inspection must be made in the light of the expectations for each course. As you observe students in lessons, look at their written work and talk to them, keep in mind the extent to which students in business education:

- confidently and accurately use a wide range of business terminology;
- demonstrate clear understanding of key business concepts;
- apply what they have learned to case studies, actual organisations and the real economy;
- have a knowledge of topical issues;
- make use of real vocational contexts in their assignment work;
- maintain a good balance between primary and secondary sources in their research work;
- when they repeat activities (such as market research) do so to a progressively higher standard;
- analyse the information they collect, drawing conclusions and making predictions, rather than just accumulate and present it without doing so (a common fault);
- are able to view the business world through the alternative perspectives of different stakeholders in an economy (such as employers, employees, managers, shareholders and consumers);
- in the case of National Vocational Qualification (NVQ) courses, understand and use correct business practices both within the college/school and on work placement.

For students who are aiming for the AEA in economics, evaluate the extent to which:

- they demonstrate a greater depth of understanding than required in A Levels and apply their understanding in critical analysis, synthesis and evaluation.

1.2 Analysis of students' work

The analysis of written work offers a good opportunity to confirm standards and evaluate students' achievement by asking whether the demands made on them and their progress over the course have been sufficient. The extent of assignment work on vocational courses makes the work analysis particularly important for evaluating standards on these courses.

Example 1: evidence from work of a Year 13 AVCE business student in a school sixth form; admitted to the course with GCSE grades distinctly lower than the normal minimum threshold.

This piece of work is a research assignment in which the student had to produce a business plan for a hypothetical new business venture. She investigated the potential profitability of setting up a new wine bar in her area.

The assignment is well presented and of suitable length.

The student researched in appropriate vocational contexts. One was an estate agent, where she obtained particulars of three potential premises. She considered the advantages and disadvantages of each and made a well-argued choice.

She also investigated wine bars in nearby areas, obtaining details of their menus, prices, fixtures and fittings, number of staff employed etc. From this she made an accurate calculation of start-up costs. From estimations about her potential revenue she constructed a cash flow forecast and predicted her profit and loss statement, balance sheet and breakeven point – drawing graphs accurately and using the correct format for figures (using ICT well).

Her major weakness was in her estimation of revenue, which was largely conjecture (and certainly would not pass the scrutiny of her bank manager). This should have been based on more accurate primary research of those people who would fit her targeted consumer profile.

She also failed to engage in preliminary research into secondary sources, to establish the point that wine bars are at in the product life cycle, and to determine more accurately the characteristics of her potential customers.

The work is somewhat above the minimum pass standard but not good enough to attain a grade much higher than that. This is at least good achievement for this student, given her previous attainment.

[Attainment average (4)]

Commentary

The student shows a good understanding of some important business concepts (for example, 'cash flow', 'profit and loss', and 'breakeven') and she applies them to this (suitable) context. However, there are two factors which cause her attainment to be judged no more than average overall. Firstly, although she carried out some useful primary research, her lack of investigation into her potential customer base was a weakness. She did not find out how often her potential customers intended to visit, the items they were likely to purchase, the price they would be willing to pay, the peak sales periods and so on. As a consequence, her revenue predictions are likely to prove unreliable. Secondly, there was no secondary research to establish more generally the prospects for wine bars.

Considering the student's starting point (distinctly below the minimum GCSE threshold), the evidence of this piece of work suggests that her achievement is at least good. You could confirm this by scrutinising other pieces of work, and/or by talking to her, to make sure that her achievement is consistent across a range of work.

1.3 Talking with students

Talking to a cross-section of students is a very good way of testing out your developing hypotheses about their attainment and achievement.

The questioning can take a number of lines and should vary in difficulty according to the course. Useful lines of enquiry are:

- questions to test students' knowledge and understanding, such as:
 - *What is the difference between gross and net profit?*
 - *In what ways could a firm extend the product life cycle?*
 - *What is income elasticity of demand?*
- questions to test students' capacity to apply their learning, such as:
 - *What might be a marketing mix for a status car?*
 - *What type of pricing strategy might be used by a small local hairdresser?*
 - *What policy options does the government have to cause an overvalued pound to depreciate?*
- questions to test their understanding of recent work; this is particularly useful when you have already analysed the relevant written work; it is also useful to look at the written work together with the student(s);
- questions to test students' vocational competences, such as:
 - *How have travel and accommodation been arranged?*
 - *How have you developed and provided evidence of effective working relationships?*
 - *How have you devised and implemented a personal development plan?*

Example 2: evidence from meeting (March) with Intermediate GNVQ business students in a school sixth form; they attained GCSE grades mainly in the D/E range.

The students are questioned on units covered so far ('What a business is', 'How a business works', and 'Working with financial information').

Students show sound understanding of basic business terminology and concepts, but there are some omissions (for example, they do not appear to have heard of limited liability). They have carried out detailed research on primary, secondary and tertiary industries, but they find it difficult to give reasons why the numbers employed in each sector have changed. With a little prompting, they can classify costs into fixed and variable and are able to suggest ways in which a firm can reduce its costs. Generally, however, their analytical and evaluative skills are not well developed (for example, they cannot suggest circumstances in which it might be appropriate for a business to change its type of ownership, nor can they suggest how a business might use its customer profile to produce a better customer service). They have made good use of the Internet, textbooks and case studies when researching their assignments, but have had little contact with business people.

[Attainment average (4)]

Commentary

The students' attainment is no more than average. Although their knowledge and understanding of business terminology and concepts are sound for students on this course, their analytical/evaluative skills are too limited for their attainment to be any better than this. They have researched their work well, except that assignments have insufficient vocational contexts.

Given the students' current attainment and their GCSE results (average for Year 12 students on this course), their achievement over the course as a whole appear satisfactory).

1.4 Lesson observation

Example 3: evidence from a second year GCE A-level business studies lesson in an FE college, near the end of the course; an able group, with well above average results in their GCSEs.

A revision lesson on the product life cycle.

All students show a very secure understanding of the stages of the product life cycle (PLC) and are able to draw the relevant diagrams. They can explain the main factors influencing the length of the PLC, such as changes in fashion and technology. They intelligently consider the PLC for a range of products. When asked, they give examples of the ways in which particular firms have extended the lives of their existing products. Prompted by questions from the teacher, they make connections between the various stages of the PLC and the cash flows generated. They understand that the cash flows from successful brands will be used to finance the development of replacement products. However, they find it more difficult to relate the stages of the PLC to advertising and pricing strategies. The majority of students are working at grade A/B at A level.

[Attainment well above average (2)]

Commentary

The attainment of these students is well above average because of their very good understanding of the PLC. This is shown by their explanations and use of diagrams and examples, and by the connections they can make with cash flows. However, their attainment is not of the highest order because of their blind spot in making links between the PLC and advertising and pricing strategies.

This revision lesson suggests that the students' achievement is satisfactory. While their attainment is very good, this is what could reasonably be expected, given their well above average attainment in their GCSEs.

Example 4: evidence from a second year AVCE business lesson in a sixth-form college; all the students have the minimum GCSE threshold scores, but little more – and no 'high fliers'.

Using case study information, students compile a balance sheet, profit and loss statements and a cash flow forecast.

Most students work accurately from the figures provided and show sound understanding (for example, they distinguish between assets and liabilities, and gross and net profit, and explain why it is important for cash flow to be positive).

They know why shareholders would be interested in analysing these figures.

They have the correct layout for these financial documents and use ICT effectively to create a spreadsheet for the cash flow forecast.

However, they cannot explain why a company can make a profit and still have cash flow problems, as they do not understand that a long debtor period can cause a cash flow difficulty in the shorter term.

Most students perform above the borderline for passing, but not at a standard to gain them the higher grades – satisfactory achievement for these students.

[Attainment average (4)]

Commentary

The students' attainment is no more than average. They have a secure understanding of some aspects of business finance (such as a comprehension of key terms, and how to lay out financial documents), but they lack the analytical skills necessary to relate two important concepts to each other (profitability and cash flow).

On the evidence of this lesson, the students' achievement appears satisfactory: with little more than the minimum GCSE requirements, they are reaching standards compatible with lower grade A-level passes.

Example 5: evidence from a Year 13 A-level economics lesson in a school sixth form; most students obtained above the minimum requirements to take A level.

A lesson on price discrimination and its use in business.

All students understand the broad concept of charging different prices for the same product and can see that, for price discrimination to work, the markets have to be separated. With prompting, they can provide some 'real-world' examples.

However, they find it difficult to understand how producers use price discrimination to maximise their profits. This is because they have an insecure understanding of price elasticity of demand and experience great difficulty with the idea that producers are able to charge a higher price when demand is inelastic. Their recall of the formula for calculating the price elasticity of demand is poor and most find it difficult to apply the formula when they are asked to do so.

[Attainment below average (5)]

Commentary

Since the students broadly grasp the idea of price discrimination (different prices in different markets), their attainment is not evaluated as well below average. Nevertheless, it is below average because of the extent of their difficulties with price elasticity of demand.

The students' attainment (below what would normally be expected at this stage of a course), together with the information about their GCSE scores (above average), suggest that their achievement is unsatisfactory, or even poor. You could confirm this by analysing a sample of their work and talking to them.

2 Teaching and learning

2.1 Evaluating teaching and learning

Interpret the *Handbook* criteria with specific reference to business education, and keep in mind the characteristics of effective teaching and learning.

When evaluating students' learning in business education, take into account:

- their interest in relevant topical issues, drawn from newspapers and other sources (*acquiring understanding, interest*);
- the maturity of their approach to working in groups or teams – for example, when operating a mini-enterprise (*effort, productivity, interest, self-reliance*);
- their capacity to plan their own work when researching and completing assignments – particularly important for vocational courses (*acquiring skills, self-reliance*);
- the ease with which they use ICT to support their learning in business (*self-reliance, productivity*).

When evaluating the teaching of business education, consider the extent and the quality of the use of:

- topical issues to stimulate interest (*subject knowledge, planning, expectations*);
- classroom teaching to support individual work on assignments, such as whole-class explanations of common problems and questioning of individual students about their methods and conclusions (*subject knowledge, expectations, methodology, assessment*);
- case studies and simulations, such as mini-enterprises, so that students have chances to apply their learning and make decisions (*planning, expectations, methodology*);
- contacts with the world of work (such as work experience, visits to employers, and use of company information packs) to provide a vocational context (*planning, expectations, methodology*);
- external up-to-date resources and ICT (for example, to support students' research through the Internet and their presentation of assignments, and to make course notes, assignments and case studies available on the school/college intranet) (*use of resources, methodology*);
- effective use of the work place to generate NVQ competences (*use of resources*);

and, for practical courses such as word processing,

- systematic recording of students' progress, including their completion of past examination practice papers (*methodology, expectations, use of assessment*).

Be alert to teaching which may have superficially positive features but which lacks rigour, depth, insight and good command of the subject matter. Common pitfalls in the teaching of business education are:

- allowing students to accumulate information without analysing it adequately (*subject knowledge, methodology, assessment*);
- leaving students to work too much on their own when completing assignments, without actually teaching them – for example, by explaining new concepts and common problems (*methodology*);
- repeating activities (such as market research) without raising the level of difficulty (*subject knowledge, expectations*);
- infrequent marking, done only at the end of assignments (*assessment*).

2.2 Lesson observation

Example 6: evidence from a Year 13 GCE A-level business studies lesson in a school sixth form.

Last in a series of lessons on job descriptions, job specifications and job applications. Students have been given a job description and job specification from a large British firm, together with copies of anonymous applications from those candidates shortlisted. In groups, they have to select three people for interview. A member of the personnel department of this firm has been invited to take part.

A very well-planned lesson, with excellent use of a real business context. The teacher carefully reminds the students to consider the precise tasks and responsibilities detailed by the job description and the educational experience/special aptitudes required in the job specification. The students are very well motivated by the task, and their group discussions are mature and thoughtful. The teacher moves from group to group, encouraging discussion and asking challenging questions. One student from each group then justifies the group's choice, using a range of resources (OHP transparencies, PowerPoint, flip chart). These presentations are articulate, with three groups demonstrating a very good application of the general principles to this problem. One group, the least talented in this otherwise high-attaining class, finds the work extremely interesting but does rather less well in matching the applicants to the post. The visiting speaker explains the company's actual choices, which is of great interest to the class. The teacher allows the speaker to continue his explanation for too long, so that the bell goes before the students can discuss the company's choices.

[Teaching and learning very good (2)]

Commentary

The students' very good learning is evident in their motivation and the quality of their discussions and problem-solving. These outcomes are clearly attributable to the very well-planned lesson, the teacher's participation and the first-rate use of an industrial context. The learning falls short of excellence because one group does not apply the general principles so well. The teaching, too, is not better than very good: the teacher relinquishes control of the lesson at the end and does not make the very best use of the visitor.

Example 7: evidence from a second year GCE A-level business studies lesson in an FE college.

A lesson on cash flow statements and balance sheets, using a case study to consolidate earlier learning.

The students are motivated, make careful notes and respond when questioned directly. Their understanding of cash flow and balance sheets is consolidated, in that they apply their understanding accurately to the case study, but there are few extended answers and no spontaneous comment or debate. In the main, the students are happy to be spoon-fed. The teacher provides clear explanations, indicating a secure understanding of the subject area, and she makes good use of the whiteboard to illustrate points. The case study is well chosen as a vehicle to consolidate the students' understanding, and the teacher regularly asks questions about it to test this. However, the quality of the lesson is limited because she does not challenge the students sufficiently to develop the analytical skills needed if they are to attain the higher grades at A Level. This is particularly true for a minority of students who are clearly very capable but are not being encouraged to shine. The pace of learning falls away at the end as she dictates notes rather than requiring the students to summarise the main points themselves.

[Teaching and learning satisfactory (4)]

Commentary

The students' motivation and the extent of the consolidation in their understanding are sufficient for learning to be satisfactory. This in turn suggests that the teaching is satisfactory. It has some good features, such as the case study methodology but, because expectations are not high enough for the small group of more capable students, it cannot be more than satisfactory.

Example 8: evidence from a 'certificate in personnel practice' lesson in an FE college.

Introductory lesson by a newly appointed teacher on channels of communication. Direct teaching followed by a case study.

Well-prepared lesson which begins with careful introduction of new concepts and terminology – eg formal/informal, two-way flows, vertical/horizontal etc.

Clear and accurate explanations indicate that the teacher knows the subject well.

Teacher attempts to get the students to think for themselves by brainstorming, but this does not work well because of their reluctant and limited response to the opportunities for oral interaction – causing progress to be slow.

Students find it difficult to think laterally and they provide few and weak responses in the brainstorming activity. The teacher could have adapted her strategy to be more supportive.

The case study is well chosen and achieves greater involvement, but even here the teacher has to use a great deal of skilful questioning to elicit the answers she requires. The students' lack of confidence again slows proceedings.

Students are not used to intellectually challenging teaching of this sort. This is confirmed by the comments some of them make, and also by their written work – much of which has been copied directly from textbooks and other sources.

[Teaching satisfactory (4); learning unsatisfactory (5)]

Commentary

The teaching (by this newly appointed teacher) has good features and might have succeeded well with a more responsive group. However, in this case the progress is slow because the students have not previously been taught to think for themselves, and this causes their learning to be unsatisfactory. By contrast, the good planning and other stronger features show that the current teaching is satisfactory. However, it is not better than this as the teacher does not adapt her strategy sufficiently to deal with the problems raised by this group.

Example 9: evidence from an AS-level economics lesson in a school sixth form.

First part of lesson deals with income and cross elasticity of demand and second half is a consideration of a data response question on railway privatisation.

Teacher's subject knowledge is very good – as shown by his confident use of specialist vocabulary and his informed answers to some of the students' questions.

The work on elasticity follows sensibly from previous work on price elasticity but is not well planned (no clear lesson objectives are shared with the students). Explanations are swift and clear and are understood by most students – but they are too fast for the weaker students to grasp the theory. The teacher does not check understanding by asking enough questions.

Lesson abruptly moves from elasticity to railway privatisation, with no introduction and little to connect with the previous work (and missed opportunities to apply elasticity of demand to the railway industry).

Consideration of data response question drifts all too readily into 'pub talk', with several decontextualised anecdotes that do little to further understanding. Teacher provides cogent answers to the data response questions at the end, once more showing his grasp of the subject, but by this time the students' interest in the economics of the task has been lost. They take few notes and eagerly await the bell. The teacher sets no follow-up work.

Relationships are friendly but over-casual, and overall the lesson lacks the right tone for effective learning. A particular weakness is the way the (male) teacher is too content to chat with the male students during the discussion of the railways. He neglects the less assertive female students, whose pace of learning is slower than it should be.

[Teaching and learning unsatisfactory (5)]

Commentary

Here is an example of a teacher with a strong subject background but weak pedagogy. Planning is unsatisfactory, with unclear objectives, no obvious links between the two halves of the lesson, and no follow-up task. Assessment is also unsatisfactory because the teacher does not test out whether students have adequately understood the new material before moving on. Nor are the students well managed; the over-casual approach to discussion results in loss of interest in the content and marginalises the female students. These weaknesses result in unsatisfactory learning, especially for the weaker members of the group and the female students. The teaching and learning are not poor, mainly because most students gain from the teacher's clear exposition at the beginning.

Example 10: evidence from a second year business and finance National Certificate lesson in an FE college; all students, mainly 16–19, are part-time and in local employment.

The focus of the lesson is on mission statements and strategic planning.

The teacher carefully goes over the learning from the previous lesson, where the topic of business planning was introduced. Students, having understood the principles of business objectives, have been told to bring to the lesson examples of mission statements and strategic objectives derived from their own organisation and to share them with the class group. This approach, requiring students to draw on their own business experience, is very effective in enabling them to relate the principles of planning to actual practice. A very lively and interested discussion ensues. The students share and discuss the objectives of their own organisations. Several become quite excited and all are very interested when they start to recognise, with the help of carefully chosen questions from the teacher, that some mission statements are not as well written as others. As a result of their close involvement in this discussion, they make excellent progress in their understanding of the importance of mission statements and strategic planning.

Following the discussion, the teacher asks the students to summarise the rationale for mission statements and strategic plans, using the examples discussed. Because some students are employed in the public sector, the teacher encourages the group to make reference to contrasting types of organisations. This use of real examples, to which they can easily relate, is highly effective in enabling the students to develop an understanding of the different objectives of public and private sector organisations.

[Teaching and learning excellent (1)]

Commentary

Because the students share information about their own organisations, they make excellent progress in appreciating why different business objectives are appropriate and what the distinction is between public and private sector objectives. The teaching is excellent because of the highly effective use of the resource of the students' own organisations and the skilful guiding of the discussion.

Example 11: evidence from an Association of Accounting Technicians (AAT) lesson in an FE college; the students, all part-time, are working for foundation level of the AAT qualification; their ages range from 16 to 35, although most are between 16 and 19.

The first in a series of classes on computer-based bookkeeping. The lesson takes place in the learning resource centre and each student has access to a workstation linked to the college computer network. Students are being introduced to SAGE, a standard software package used by accounting practices. Some students are familiar with the program, having made use of it at work, but others are completely new to it. All students have basic ICT skills and are familiar with double-entry bookkeeping. The teacher is employed by the college on a part-time contract and uses SAGE in her own accounting business.

The teacher makes good use of real examples drawn from her own experience of running a bookkeeping company. She divides the students into pairs at the start of the class to allow complete beginners to benefit from those who have had experience of using SAGE at work. After a short but effective presentation on the use of SAGE as a bookkeeping tool, students work through exercises in which they enter accounting data for a sole proprietor. The more experienced

students quickly grasp the formats and conventions used in this software. Less experienced students start to struggle with the task because they cannot cope with the fast speed at which their colleague manipulates commands and data. There are also signs of one or two of the more experienced students becoming frustrated at the slowness of their partners. As soon as the teacher becomes aware of this problem, she rearranges the students, putting together those progressing at similar rates. She then moves from group to group to explain how the software works and to seek to reassure students lacking confidence. As a result, all students are now able to make progress according to their ability and previous understanding.

[Teaching and learning satisfactory (4)]

Commentary

The teacher brings to the class good subject knowledge of the software and its application to real situations. Her planning is at fault because she arranges the students in pairs in a way which seems a good idea at the time but proves to be a hindrance to the learning. If she had not corrected this situation, the teaching and learning would have been unsatisfactory. As it is, through her intervention (and despite the fact that the reorganisation 'wastes' a certain amount of time), all of the students make satisfactory progress in the light of their different levels of understanding and previous experience of the software. The strengths in the teaching therefore outweigh the weaknesses.

Example 12: evidence from NVQ 2 administration class in an FE college.

Some students were working with the teacher on their portfolios, while others were out of class engaged on internal work placements around the college; these were designed to form a realistic working environment.

A workshop plan was available, showing clearly those students who were expected to be in class and a list of those working in different locations around the college, together with the tasks they were scheduled to undertake. The students in class were purposefully engaged, considering those units where there were gaps in evidence to satisfy the prescribed performance criteria. The teacher provided effective support, which enabled the students to identify what else they needed to do to generate the missing evidence for inclusion in their portfolio.

In the portfolios examined, there was clear evidence that too many of the experiences arranged for students had been simulated rather than real activities. For example, students had used a range of paper-based activities to assess potentially hazardous situations at work rather than examining real working conditions in their own college environment.

Of the students observed on internal work placements only about half were using their time productively. For example, in the college shop a student was ordering stock items of stationery and confectionery having previously monitored the stock levels. By contrast, the student attached to the college reception area lacked confidence when answering the telephone. He was unable to transfer callers and was not receiving any help in improving his skills. The students working in the training office expressed the view that they had too little to do to keep them occupied: they had completed the jobs assigned to their in-tray and no extension work had been provided.

[Teaching and learning unsatisfactory (5)]

Commentary

The students who were in the class were receiving satisfactory help from their teacher, but too few of those who were on internal work placements were gaining benefit from the experience. This was either because of the poor planning of the activity itself or because they had been insufficiently prepared. Moreover, there was evidence from the portfolios that students had not received the first-hand experiences that the course expects when a real working environment was available. Some students were having worthwhile learning experiences, but there were too many who were not for this to be graded as satisfactory teaching and learning.

Example 13: evidence from observing a private study session in a school sixth-form centre, and during this time looking at the students' written work and talking to them; several Y12/13 students present who are following GCE A/AS levels and AVCE in business.

Very calm, well-organised study area under the supervision of a librarian, who also keeps a register (students must attend for a substantial proportion of their non-timetabled periods).

Excellent range of resources for business, including Dewey-classified books, well-ordered journals and resource packs organised on a topic basis. Easy access to several computers, all linked to the Internet.

Key to the effectiveness of these resources for business is a topic-based index, to be found on the business website on the school's own intranet. Resources are carefully graded; the faster workers can easily find more challenging materials when they need them.

Students have a mature and serious approach to their work, and have developed first-class study habits. They respond well to the excellent facilities, and say that they have been well inducted into their use. Their sense of purpose is enhanced by having well-structured assignments with clear learning objectives.

They make strong progress in the session observed. The outcomes of their current and earlier assignments show that they have made excellent progress over their course. The brightest students have been stretched towards the highest levels of attainment by making intensive use of the study facilities. The assessment of their work has been thorough and constructive.

The reasons for the high standards achieved in business were not readily apparent from the steady but rather pedestrian classroom teaching, but are now fully explicable from the quality of the students' private study. The organisation and assessment of work done in private study indicate teaching of the highest quality. It quietly motivates and enables students to achieve extremely well.

[Teaching and learning excellent (1)]

Commentary

The very high quality of the learning and the level of achievement are directly attributable to the efforts that have been made to provide the students with first-class arrangements for private study. This example shows the importance of judging the quality of teaching by a wider evidence base than that arising from lesson observations alone. It particularly underlines the importance of considering the extent and quality of private study when evaluating the learning and teaching of business post-16.

2.3 Other evidence on teaching and learning

Lesson observation is usually the most important source of evidence on the quality of teaching and learning, but the analysis of work and discussions with students can also yield valuable information. This is particularly important when the work includes a coursework component undertaken over time. Under these circumstances, the observation of individual lessons may give a very partial picture of the students' learning experiences and of the support provided by teachers.

The work analysis will give you a good feel for the overall rate of progress, and therefore the pace of the teaching and learning. It will show the range and depth of the work which the students are required to do. For example it will indicate whether students use an adequate range of 'real world' contexts and whether they are challenged sufficiently to develop the higher order skills of analysis and evaluation.

Discussions with students will give you a sense of their motivation and the range of their experiences. You can ask questions to show whether they understand clearly how well they are doing and what they must do to improve.

3 Other factors affecting quality

Evaluation of other factors affecting quality, such as the curriculum, staffing, leadership and management and resources, should always be linked to their impact on the standards achieved. There may be little of significance to report, but the following is a list of points to look for when inspecting business education.

Curriculum

Consider how effectively learning extends beyond the classroom through arrangements such as visits to local businesses, field trips, work experience, and speakers coming into the school or college. Is effective use made of opportunities for enrichment – for example, Young Enterprise and business games? How effective is the use of business case studies and simulations?

Management

The extent and nature of business education vary greatly between institutions, as does its management arrangements. In some there are free-standing departments, while in others business education forms part of a wider faculty. Sometimes general vocational courses are managed separately from GCE courses. Whatever the structure of management, you must focus on its effectiveness. There must be no question of a 'preferred approach'. For vocational and general vocational courses, management time is necessary for internal verification.

Resources and accommodation

Consider whether the library/learning resource centre contains sufficient modern books, a press cuttings service, an appropriate range of business or economics periodicals/journals, and access to modern computing facilities. Note also whether students have personal up-to-date texts. Evaluate the impact of these resources on students' learning.

Are there sufficient opportunities for students on NVQ courses to have their competences assessed in the work place?

How well does accommodation model modern business environments? In particular, do students on NVQ courses in administration work in realistic working offices?

Staffing

If any of the business education staff do not have a specialist qualification, or lack familiarity with vocational courses, assess whether this affects standards.

4 Writing the report

The following are two examples of post-16 subject sections from inspection reports, the first from a school sixth form and the second from an FE college. (They do not necessarily reflect the judgements in any or all of the examples given elsewhere in this booklet.) The summative judgements in these reports use, for schools, the seven-point scale: *excellent; very good; good; satisfactory; unsatisfactory; poor; very poor*. For colleges, there is the five-point scale: *outstanding; good; satisfactory; unsatisfactory; very weak*. The summative judgements *excellent/very good* used in school reports correspond to *outstanding* in colleges; *poor/very poor* used in schools correspond to *very weak* in colleges.

Business education

The focus was on the advanced business courses, but economics was also sampled. In economics, the examination results fell from above average two years ago to below average this year, reflecting the departure of a specialist teacher two years ago. A new economics teacher is now in post and, in both of the two lessons observed, teaching was good and students were achieving well.

Business

Overall, provision in the business courses is **satisfactory**.

Strengths

- Teachers have secure subject knowledge and lessons are carefully prepared.
- Students are making good progress in their basic knowledge and understanding of business.
- The introduction of new courses has been well planned.

Areas for improvement

- Teachers need to make fuller use of case studies and other activities to extend the students' analytical skills.
- Marking is regular but should indicate more clearly how standards can be improved.
- Year 13 students have insufficient access to computers.

Standards overall are at present average. In GCE A-level business studies, the examination results were above average two years ago. They then fell markedly, so that they were below average this year, when male students did particularly badly and no students obtained the higher grades A or B. This decline occurred during a period when two staff, including the head of department, had long-term absence. The standards reached by current students, as seen in lessons and in their written work, are average for both male and female students and for those from minority ethnic groups, which is an improvement over the immediate past. When account is taken of the students' GCSE grades at the start of the course, this represents satisfactory achievement. In Year 12, students make good progress in understanding the central ideas of the subject, including those relating to the economic environment in which business operates, but they are not so good at applying their understanding. Students in Year 13 also progress well in their current work, but their achievement is no more than satisfactory due mainly to the omissions that still exist from their patchy coverage of the syllabus last year. In both years, there are deficiencies in the students' analytical skills, which are needed to reach the highest grades.

On the advanced vocational course, the pass rate, and the proportions of students obtaining merits and distinctions, were all above average two years ago. Results then declined during the period of staffing difficulties, so that they were broadly average this summer on all three measures. The standards of current students are also average. While this represents satisfactory achievement in the light of their previous GCSE results, these students have not made the rapid strides in their learning that their predecessors managed three years earlier. The strength of the students' work lies in their steady accumulation of knowledge, which is well organised in their files, and in their basic understanding of the subject matter. The relative weakness is in the use made of this understanding – for example, in the interpretation and analysis of data. This was shown in a lesson where the students had a satisfactory understanding of the importance of cash flow, but needed a good deal of assistance to make a cash flow forecast.

Overall, the quality of the teaching on the GCE A-level course is satisfactory. The teachers' expert subject knowledge underpins discussion and lends clarity to the explanations provided. But while lessons are carefully planned, insufficient use is made of case studies and other activities to allow students to apply and extend their learning. Students generally work well, know what they are meant to do and learn effectively. The gaps in their understanding, which resulted from the discontinuity in teaching in the recent past, are steadily being filled. This was shown, for example, when one class revisited work on the breakeven point, which they had covered previously without understanding it. The teacher's methodical explanation on this occasion promoted considerable gains in the students' comprehension. However, the rapid coverage of the syllabus to make up for lost time is partly at the expense of ensuring that students have enough practice in the kinds of analysis that will enable them to reach the higher levels of attainment. This is particularly restricting the achievement of the more capable students. The teachers work hard to mark assignments promptly, but need to indicate more clearly how students might improve their performance.

In the AVCE course the teaching is also satisfactory. Teachers have strong subject knowledge and lessons generally have clear purpose, an engaging mix of activities and a good pace. An example was a lesson on letters of application, in which a lively presentation and a good choice of sample letters led to clear gains in understanding and a level of interest that continued after the lesson had finished. The students in Year 12 respond well and learn effectively, but they need to be pushed harder to develop sharper analytical skills. Those in Year 13 are more difficult to motivate in class: lack of access to ICT and lack of opportunities for personal interaction were the reasons for this in one lesson observed. Work is marked promptly, but this is an area of relative weakness where more could be done to indicate how students might improve.

Leadership and management of the department are satisfactory. The weaknesses in the leadership of the department which, together with staff absence and changeover, contributed to the fall in standards in the last two years have been overcome. The department now has a good sense of direction, as seen in the well-planned introduction of the new AVCE and AS-level courses. It is now well placed to make further progress. The staff work closely together and continually review their practice to seek improvements. There are ambitious but realistic targets for improvement. However, there is a need for more careful monitoring of the department's work to extend the teaching strategies required to develop the students' analytical skills. There are good ICT facilities to support independent study in the dedicated business studies rooms, but an absence of computers in the sixth-form study area inhibits private study on some occasions.

Business

Overall, the quality of provision is **good**.

Strengths

- The college provides a flexible range of opportunities for students to build effectively on previous qualifications.
- There are high pass rates in IT, administration and some professional programmes.
- Standards on most courses, involving the vast majority of students, are above average and students are achieving well in relation to their previous attainment.
- The great majority of students who start on courses follow them to the end.
- Teaching overall is good, particularly on IT and administration courses; lessons are well planned and cater well for students' different needs.
- The modern apprenticeship scheme is well organised and effective.

Areas for improvement

- The AVCE and GNVQ programmes, which attract a small number of students, are not successful enough: standards are below average and teaching is unsatisfactory.
- On a few courses, schemes of work are insufficiently detailed, and this results in variations in teaching between classes.

Scope of provision

The college offers a broad range of programmes in business from foundation level to higher education. Administrative, management and professional studies courses are popular and large numbers of part-time students study IT courses at the main site and in community centres. Recruitment is growing in a number of areas, for example on NVQ accounting and business IT programmes. A small number of students enrol on the AVCE and GNVQ Intermediate programmes; groups for these programmes have been combined with those from different vocational areas, resulting in the dilution of some of the business elements and contexts. Flexible entry patterns on NVQ administration programmes allow students to enrol at different times in the year and spread their study over one or two years. Work experience enhances all full-time programmes. A growing number of trainees are registered on modern apprenticeship schemes which lead to NVQs in administration and accounting.

Standards and achievement

In the main areas of the college's work in business, standards are high. Pass rates in ICT, NVQ administration and some professional programmes are high and significantly above national figures for FE colleges. For example, on the City and Guilds IT diploma, integrated business technology and NVQ administration at level 2, pass rates have been better than 90 per cent over the last three years. For the certificate in personnel practice, 100 per cent pass rates have been achieved during the last two years. Pass rates are also above further education averages for NVQ accounting and word processing awards. Success rates on modern apprenticeships are close to the average for this occupational area. About half of the trainees also achieve additional qualifications during their NVQ programmes, including basic health and safety, word processing and audio typing. Although completion rates on most programmes are close to the college target of 85 per cent, for the AVCE business programme they fell to 60 per cent this year, with very few students obtaining the higher grades (BB or above). On most courses in this area, bearing in mind their starting points, students are doing well. There are no significant variations in the results attained by students of different gender or ethnicity.

The work of most current students is at least in line with what would be expected for their courses. Students' work in administration clearly demonstrates a good level of competence acquired in the work place. Portfolios provide examples of students contributing to the organising of events – for example, employers' seminars or parents' evenings for those working in primary school offices. Many demonstrate the effective operation of computer systems, sometimes linked to stock control and maintaining records. Students are achieving well on these courses. By contrast, portfolios for the small number of AVCE and GNVQ students show that primary research is relatively weak and ICT skills are largely restricted to word processing.

Quality of education

Teaching is good overall. In ICT and administration lessons, work is well planned to allow students at different levels of attainment to make good progress. For example, in one lesson, students (some aged 16–19, others older) were learning to use spreadsheets, some focusing on charting the outcomes in a variety of formats and others on ways of using different formulae. Some whole-class teaching was effective in introducing new concepts and skills in ICT; teachers made effective use of a good range of supporting exercises and activities to help students consolidate their learning. In one administration lesson, students were provided with realistic scenarios about the potential problems of organising and managing appointments at work. They were able to draw on their experiences of work placements to discuss, in small groups, strategies and solutions for each situation. Effective coaching of key skills takes place on modern apprenticeship schemes, using exercises developed by the teaching team and employing a range of business contexts.

Teaching was unsatisfactory on AVCE and GNVQ programmes. Although a relatively minor part of the college's work, it needs to improve. Some lessons were poorly planned; handouts provided by teachers were inadequate and students were set inappropriate tasks such as copying extensively from the overhead projector. The marking of students' work was constructive, but not detailed enough, with the result that students did not receive sufficient help to improve.

The modern apprenticeship scheme is well organised; trainees make good progress. They receive regular workplace visits from their assessor every six to eight weeks. Assessments are clearly recorded and the subsequent reviews are well planned. Employers and trainees keep a record of action points on which they have agreed, and this helps to ensure that there is a continuing focus on developing skills. The reviews record evidence of key skills.

Leadership and management

Leadership is satisfactory overall. Most programme teams meet frequently to enable teachers to share good practice and this contributes to the good teaching on ICT and administration courses. However, schemes of work are sometimes insufficiently detailed and do not record the different teaching methods to be used. As a result, GNVQ and AVCE teachers do not receive the guidance they need to help them to improve their teaching strategies. This weakness is recognised in the curriculum self-assessment report, reflecting the satisfactory start which has been made to departmental self-evaluation, but leadership has not yet been effective in eliminating the weakness.

Designed and produced by Matrix Print Consultants Ltd, Rothwell, Northants 01536 713811