

# **Pathways to Management and Leadership**

**Level 5: Management and  
Leadership**

**Unit 514**

**Managing Change**

## **Pathways to Management and Leadership**

### **Unit 514: Managing Change**

Copyright © Chartered Management Institute, Management House, Cottingham Road, Corby, Northants, NN17 1TT.

First edition 2018

Author:	Martin Rice
Project Manager:	Dr Kevin Roe
Editor:	Miranda Stephenson

British Library Cataloguing in Publication Data. A catalogue record for this title is available from the British Library.

ISBN: 0-85946-740-6

All rights reserved, save as set out below. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the written permission of the copyright holder except in accordance with the provisions of the Copyright, Designs and Patents Act 1988 or under the terms of a licence issued by the Copyright Licensing Agency Ltd., 90 Tottenham Court Road, London, EC4A 3DF.

Applications for the copyright holder's written permission to reproduce any part of this publication should be addressed to the publisher. Permissions may be sought directly from Chartered Management Institute in Corby, UK. Phone: (+44) (0) 1536 207379, or e-mail [publications@managers.org.uk](mailto:publications@managers.org.uk) for further information.

This publication is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, re-sold, hired out, or otherwise circulated without the publisher's prior consent in any form of binding or cover other than that in which it is published and without a similar condition being imposed on the subsequent purchaser.

Approved centres may purchase a licence from the publisher, enabling PDF files of the publication to be printed or otherwise distributed solely within the centre for teacher and student use only according to the terms and conditions of the licence.

Further information on the licence is available from Chartered Management Institute. Phone: (+44) (0) 1536 207379, or email [publications@managers.org.uk](mailto:publications@managers.org.uk).

SAMPLE

## Managing Change

SAMPLE

# Contents

<b>About this workbook.....</b>	<b>7</b>
The unit .....	7
The aims of this workbook .....	7
Syllabus coverage.....	8
Getting started .....	9
How to use the workbook.....	9
 <b>Section 1 Understand the reasons for change in organisations .....</b>	 <b>13</b>
Environmental factors which influence change in organisations .....	13
Internal factors that drive the need for change in organisations .....	17
Potential impact of change in organisations .....	22
Supporting resources .....	25
Summary .....	25
 <b>Section 2 Understand approaches to change management .....</b>	 <b>27</b>
Evaluate the use of theoretical models for managing change .....	27
Analyse the role of leadership in gaining commitment of others to change... ..	33
Specify reasons for engaging with stakeholders throughout the change management process .....	37
Supporting resources .....	38
Summary .....	42
 <b>Section 3 Understand how to initiate, plan and manage change in an organisation .....</b>	 <b>45</b>
Rationale for initiating change within an organisation .....	45
Developing a plan for change within an organisation .....	47
Tools for implementing and maintaining change .....	50
Approaches to overcome risk and barriers to change .....	52
Assessing risk.....	54
Develop strategies for communicating planned change to stakeholders.....	58
Practical methods to support individuals throughout the change management process .....	59
Methods of monitoring and measuring the impact of planned change .....	62

Approaches to embed and sustain planned change in an organisation .....	66
Supporting resources .....	69
Summary .....	69
<b>Section 4 Before you move on.....</b>	<b>71</b>
Preparing for assessment .....	71
Reflecting on progress .....	71
Planning your next steps .....	73
The Management and Leadership Standards .....	74
<b>Further Resources .....</b>	<b>77</b>

SAMPLE

# About this workbook

## The unit

The main purpose of this workbook is to support you as you study for the Chartered Management Institute Level 5 Qualification - Management and Leadership, so it specifically focuses on the content of the syllabus for Unit 514 Managing Change. This is not only about developing the skills to manage change and achieve set objectives, but to do so in a professional manner with open and honest communication throughout the entire process.

This workbook provides underpinning knowledge and develops understanding to improve your skills as well as to prepare for future assessment. If you are studying towards Level 5 in Management and Leadership, then you will be assessed by your approved centre on 'your knowledge and understanding of' the following learning outcomes:

1. Understand the reasons for change in organisations.
2. Understand approaches to change management.
3. Understand how to initiate, plan and manage change in an organisation.

## The aim of this workbook

This workbook aims to help you learn how to:

- Evaluate types and reasons for change within organisations and be able to select and apply theoretical models for its management.

## Syllabus coverage

The table below shows which sections of the workbook address the assessment criteria of the qualification syllabus.

<b>514 Managing Change Syllabus coverage</b>		<b>Addressed within section</b>
1.1	Analyse the environmental factors which influence change in organisations	1
1.2	Analyse the internal factors that drive the need for change in organisations	1
1.3	Examine the potential impact of change in organisations	1
2.1	Evaluate the use of theoretical models for managing change	2
2.2	Analyse the role of leadership in gaining the commitment of others to change	2
2.3	Specify reasons for engaging with stakeholders throughout the change management process	2
3.1	Specify the rationale for initiating change within an organisation	3
3.2	Develop a plan for change within an organisation	3
3.3	Examine tools for implementing and monitoring change	3
3.4	Recommend approaches to overcome risks and barriers to change	3
3.5	Develop strategies for communicating planned change to stakeholders	3
3.6	Assess practical methods to support individuals throughout the change management process	3
3.7	Analyse methods for monitoring and measuring the impact of planned change	3
3.8	Discuss approaches to embed and sustain planned change in an organisation	3



## Getting started

Change is inevitable if an organisation is to maintain competitiveness and currency of practice. The ability to manage change effectively is an essential skill for a manager to be effective in the role.

To begin with, a manager needs to be able to analyse the environmental and internal factors which influence change in organisations. To do this you need to have the ability to examine the potential impact of change in organisations.

The manager should also be able to evaluate models of change management, analyse the role of leadership in gaining the commitment of others to change and specify reasons for engaging with stakeholders throughout the change management process.

Developing the ability to specify the rationale for initiating change within an organisation will support the need to develop a plan for change. Furthermore a manager should be able to examine the tools for implementing and monitoring change.

This will enable him or her to recommend approaches to overcome risks and barriers to change as well as to develop strategies for communicating planned change to stakeholders.

Additionally, a manager should have the capability to assess practical methods to support individuals throughout the change management process, to analyse methods for monitoring and measuring the impact of planned change.

Finally, a manager should be able to discuss approaches to embed and sustain planned change in an organisation.

## How to use the workbook

The workbooks provide ideas from writers and thinkers in the management and leadership field. They offer opportunities for you to investigate and apply these ideas within your working environment and job-role.

### Structure

Each workbook is divided into sections that together cover the knowledge and understanding required for that unit of Level 5 Management and Leadership. Each section starts with a clear set of objectives that identify the background knowledge to be covered as well as the management skills in the workplace that enable you to demonstrate this knowledge. You do not have to complete the sections in the order they appear in the workbook, but you should try to cover them all to make sure that your work on the unit is complete. There are self-assessment questions at the end of each section that allow you to check your progress. You may want to discuss your answers to the self-assessment questions with your line manager or a colleague.

## Activities

Throughout the workbooks there are activities for you to complete. These activities are designed to help you to develop yourself as a manager. Space is provided within the activities for you to enter your own thoughts or findings. Feedback is then provided to confirm your input or to offer more ideas for you to consider.

To get the best from the workbooks, you should try to complete each activity fully before moving on. However, if the answer is obvious to you because the issue is one you have encountered previously, then you might just note some bullet points that you can then compare quickly against the feedback. You may sometimes find it difficult to write your complete response to an activity in the space provided. Don't worry about this — just keep a separate notebook handy, which you can use and refer to as needed.

Try not to look at the feedback section before completing an activity. You might like to try covering up the feedback with a postcard or piece of paper while you are working through an activity.

## Timings

Timings are suggested for each section and activity, although it is important that **you** decide how much time to spend on an activity. Some activities may only require a few moments' thought, while others may be of particular interest and so you might decide to spend half an hour or more exploring the issues. This is fine — the purpose of the activities is to help you reflect on what you are doing and to help you identify ways of enhancing your effectiveness. It is always worth writing something though, even if it's brief — the act of writing will reinforce your learning much more effectively than just referring to the feedback.

## Scenarios

There are scenarios and examples throughout each workbook to illustrate key points in real workplace settings. The scenarios cover a wide range of employment sectors. As you work through, you might like to think of similar examples from your own experience.

## Planning your work

The reading and reflection, scenarios and activities in each section of the workbooks are designed to take around two hours to complete (although some may take longer). This is a useful indicator of the minimum length of time that you should aim to set aside for a study session. Try to find a quiet place where you will not be interrupted and where you can keep your workbooks, notes and papers reasonably tidy. You may also like to think about the time of day when you work best — are you a 'morning person' who likes to get things done at the start of the day, or do you work better in the evening when there may be fewer disturbances?

**Preparing for assessment**

Further information on assessment is available in the Qualification Support section of ManagementDirect, CMI's online resource portal. If you have any further questions about assessment procedures, it is important that you resolve these with your tutor or centre co-ordinator as soon as possible.

**Further reading**

Suggestions for further reading and links to management information are available via ManagementDirect. You will also find titles for further reading in the Further Resources at the end of this workbook.

SAMPLE

SAMPLE

# Section 1 Understand the reasons for change in organisations

## Learning outcomes and assessment criteria (about 3 hours)

By the end of this section you will understand the reasons for change in organisations and by completing this section you will be able to:

1.1	Analyse the environmental factors which influence change in organisations
1.2	Analyse the internal factors that drive the need for change in organisations
1.3	Examine the potential impact of change in organisations

In this section, you will start by understanding the different environmental and internal factors which influence and drive the need for change in organisations. By doing so you will develop your ability to analyse these factors and examine the potential impact of change in organisations.

## Environmental factors which influence change in organisations

In order to manage change effectively, it is important to be able to identify and understand the environmental factors which influence change in organisations.

Typical environmental factors include, but are not limited to:

- Political
- Economic
- Social
- Technological and innovation
- Legal
- Environmental
- Regulatory
- Competition
- Ethics.

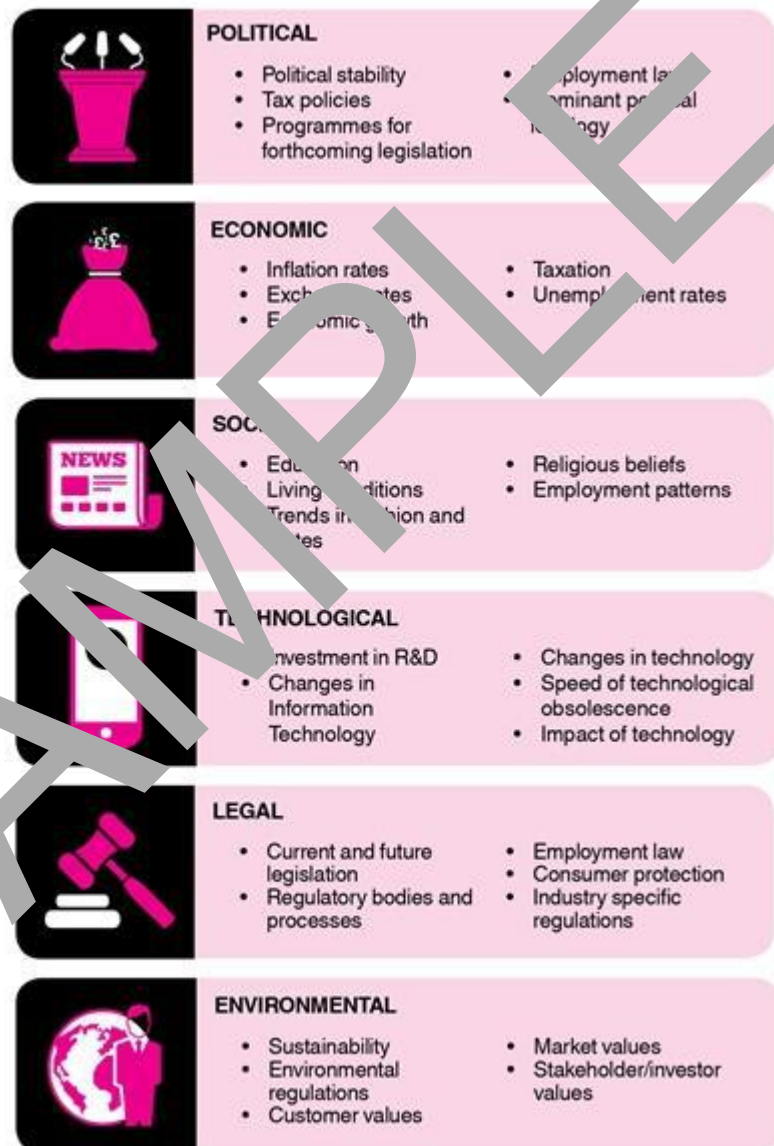
The first four or six factors in the list above are commonly used as a framework to conduct an analysis of the external and wider factors that influence change in organisations.

As the CMI Management Model: Pest (Pestle/Steeple) Analysis explains:

*PEST/PESTLE analysis is a framework to help scan the macro-economic environment in which an organisation operates. Extended versions of the acronym include Environmental, Ethical, Legal or Legislative factors.*

*Undertaking a PEST/PESTLE analysis can raise awareness of threats and help to anticipate future difficulties, so that action can be taken in advance to avoid or minimise their effects. It can ensure that what you are doing is aligned positively with the forces of change that affect the world. It can alert an organisation to possible future opportunities and may be particularly useful when operating in a new country or region.*

The model that follows presents a useful visual guide to the factors involved in a **PESTLE** analysis as well as the typical areas worth considering when analysing each factor.



Source: CMI Management Model: Pest (Pestle/Steeple) Analysis, The CMI Checklist 196 - Carrying out a PEST / PESTLE Analysis is also a useful guide to understanding how a PEST/PESTLE analysis can help to develop an understanding of the macro-environment in which an organisation operates:

*The analysis involves reviewing factors which will have an impact on the organisation's business and the level of*

*success it will be able to achieve and may be carried out as part of an ongoing process of environmental scanning, to inform overall strategy development or to support the development of a new product or service. Undertaking a PEST analysis can raise awareness of threats to ongoing profitability and help to anticipate future difficulties, so that action to avoid or minimise their effects can be taken. It can also alert the organisation to promising business opportunities for the future. The process of carrying out the analysis will also help to develop the ability to think strategically.*

The checklist also highlights a growing number of variants which include:

**SPECTACLES** - Social, Political, Economic, Cultural, Technological, Aesthetic, Customers, Legal, Environmental, Sectoral

**PEST-C** - where the C stands for cultural

**SLEEPT-C** - Sociological, Legal, Economical, Environmental, Political, Technological and Cultural

## Scenario

### MRP2-SYS and REXIT

MRP2-SYS is a mid-sized software development company that has approximately 200 staff and has gained a solid reputation for developing bespoke manufacturing resource planning (MRP II) systems for the food production sector.

Will explain manufacturing resource planning as follows:

*Manufacturing resource planning (MRP II) is defined as a method for the effective planning of all resources of a manufacturing company. Usually, it addresses operational planning in units, financial planning, and has a simulation capability to answer "what-if" questions and extension of closed-loop MRP.*

*This is not exclusively a software function, but the management of people skills, requiring a dedication to database accuracy, and sufficient computer resources. It is a total company management concept for using human and company resources more productively.*

Having worked with many of the United Kingdom's leading food producers and well-known household brands, the directors are keen to expand the business to Europe initially and then potentially to a global market.

In the historic referendum on June 23rd, 2016, Britain voted to leave the European Union. After which, the pound fell to its lowest value since 1985. This caused the directors to call an urgent meeting with the entire senior and middle management team to discuss and analyse the environmental factors which need to be considered and addressed in order to ensure the future success of the business.