

Developing the skills for managing change



Introduction

Change is something that happens in businesses all of the time. Change can occur in an organisation's internal or external environment. As a result, this process of change is constant. Change management looks at the drivers of change in the business environment. Effective managers are proactive in creating solutions to improve the organisation's performance. They must then manage employees through the change process. It is in the interest of managers to try to predict the changes that are likely to take place. In other words, they have to plan and drive change initiatives. This involves managing the change process and making it part of an organisation's strategy. Strategies help a business achieve its aims and objectives. This then helps businesses to develop in a more focused way to fit the environment in which it operates, whilst facing new challenges with more certainty.

Organisations require skilled and well-qualified managers and leaders to drive change initiatives and effectively manage employees through the process. The only chartered professional body within the UK dedicated to creating high quality standards for management and leadership is the Chartered Management Institute (CMI). It has around 90,000 members and 400 business members and has been providing advice that supports individuals and businesses for more than 60 years.



The products and services CMI provides support the development of managers and leaders in both the public and private sector. This case study illustrates how CMI supports the development of effective managers. Effective managers are vital when implementing change within a business.



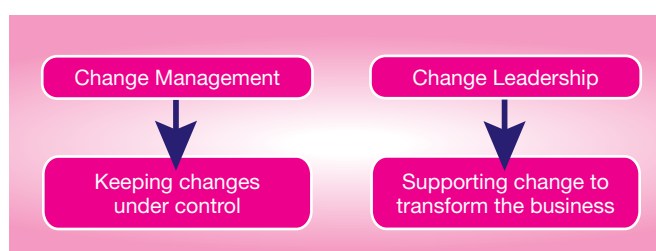
The core purpose of CMI is to increase the number of professionally qualified managers. This is vital because within ten years the UK will need to fill nearly one million new management and leadership roles. These new managers will face many different economic and social challenges. These challenges must be proactively managed to anticipate where and when changes within the organisation may be necessary. To meet these challenges they will require a range of management and leadership skills and qualifications. To ensure that schools and colleges are able to shape and develop future managers and leaders, CMI has created Campus CMI. The resources provided by Campus CMI help to deliver management qualifications. These are designed to help develop talented individuals who are able to manage the process of change effectively.



What causes change in a business?

Every organisation faces challenges from within the business. For example, the internal environment might be affected by inefficiency, changes in the workforce or high levels of staff absenteeism. Organisations also face many challenges in their external environment. These might include legislation that sets new standards, advances in technology or changes in the market or the economy.

To meet these challenges, managers must anticipate and plan for effective improvements to the organisation's processes. On the one hand, this may involve change management. This requires leaders who have the tools or structures that keep any change effort under control. The goal with change management is to minimise the impacts of the change. On the other hand, this may involve change leadership. This involves supporting the change process. Leaders need to have the vision to change an organisation. To do this they need to harness the driving forces of change in order to transform an organisation.



Change affects the decisions that an organisation must make in a variety of ways. Human resource planning is an important aspect of the change management process. This helps to ensure that the workforce can meet the required changes. For example, this might involve retraining to develop new skills to meet the changing needs of consumers. Alternatively, a business might have to invest in new production methods designed to improve efficiency.

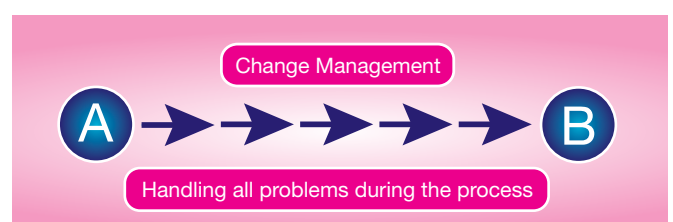
Every change strategy will involve setting objectives. It is important, therefore, to constantly evaluate change programmes. By doing this it is possible to monitor whether changes have helped an organisation to improve the way it meets its business objectives.

Serco is one of the world's leading service and outsourcing companies. It employs more than 70,000 people and helps governments to improve services. In 1994 Serco took over management of HMP and YOI Doncaster, a category 'B' remand centre in South Yorkshire. The prison had faced many challenges in recent years. For example, the prison inspection report identified a number of areas where improvements could be made. The report rated the prison at Performance Level 2, where Level 4 is the highest and Level 1 the lowest. Staff morale was low, with a high turnover of first-line managers. To address these issues Serco decided to use CMI's programme of management training and qualifications. CMI training provides managers with the knowledge and skills required to implement changes to improve the centre's performance.

Managing change

Change is inevitable and needs to be handled effectively. To remain competitive organisations need to continually look for more efficient and effective ways to operate. Change management is therefore high on the agenda for many organisations.

Managing change involves a transition from A to B. As this takes place, managers need to handle the challenges that may come up during the process. At the forefront of this is the setting of change objectives. They then have to work out the best way to achieve these objectives.



Every organisation is a complicated system so managing change is not necessarily an easy process. For example, there will be a number of different interdependent parts affecting the whole organisation. Changes in technology could have an impact on working procedures, the structure of the organisation and its people. As leaders manage change, they have to manage the different inter-related parts of the organisation. The ability to manage these parts well is therefore a vital skill for managers.



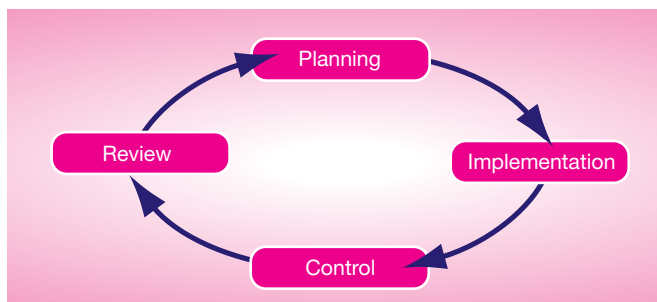
Managing change involves making decisions at different levels. These include:

- Strategic decisions - major decisions affecting the whole of an organisation.
- Tactical decisions - at departmental level to work towards achieving change objectives.

The way in which decisions are communicated and carried out varies depending on the style of leadership or the culture of the organisation. There are four main methods:

- 'Total imposed package' which comes from the top, covering the whole organisation and is implemented in one go.
- 'Imposed piecemeal initiative' where change is imposed but in stages.
- 'Negotiated total package' where the aim is to seek a package of change via negotiations with the staff.
- 'Negotiated piecemeal package' where there is a gradual implementation of change through a series of negotiations with the workforce.

Communication plays a key role in the process of change. Managers and leaders need to identify effective communication channels through which to reach the appropriate stakeholders. This must happen at every stage in the change process. Employees need to understand the reasons for change. They may want to ask questions to clarify how they can support the process of change.



As planning takes place a time frame should be drawn up. Good communication ensures transparency when implementing changes. This can help motivate employees as they feel included in the process. Controlling the process is important as it helps to reduce conflict. Reviewing the process ensures that change objectives are being achieved.

CMI qualifications provide managers with the skills and competencies required to plan, implement, control and review the change process. For example, at HMP & YOI Doncaster, having identified areas of weakness within the prison, it was important that managers could identify solutions that could bring about change to create improvements. Training by CMI helped managers to respond to issues in an imaginative and flexible way. It also provided managers with the opportunity to take qualifications that would improve their career development.



Barriers to change

There can often be barriers to change. These can include:

- the culture of an organisation resisting the power structure
- managers feeling threatened by the process of change
- resistance from employees
- a lack of understanding about why change is to take place
- a lack of communication or trust
- employees fearing the unknown.

Effective managers take barriers to change into account. They do this during the planning stage of the change programme. For example, the culture of an organisation can be a barrier to change. The culture is the way in which employees work through custom and practice, reflecting the norms of an organisation. This can make employees rigid in their approach to their work which could create resistance to change if not managed effectively.

Removing resistance is a vital role for managers. To minimise resistance an effective manager will communicate clear objectives. This will help everybody to get involved in the process and enable them to understand why change is necessary. Communication also helps to avoid rumours. Change can be a sensitive process. Employees need to feel that they have sufficient resources to carry out any changes. Some staff may need retraining. Involving employees at each stage helps to create support for the change process.

Working within a culture of change can have a positive effect on an organisation. For example, it may support the process of Total Quality Management (TQM). It also encourages employees to look forward to the process of change as the benefits have been made clear.

There were a number of barriers to change within HMP & YOI Doncaster. These included low staff morale, a high turnover of front line managers and a limited budget to support the process of change. CMI training helped the managers at the centre to overcome these barriers. CMI qualifications encouraged managers to put their ideas into practice to make a positive difference to the centre's performance.



Evaluating the management of change

As change takes place, it is important to monitor and evaluate the results of the change programme. This involves relating the changes to the original strategy and objectives. If changes are not evaluated it will be difficult for managers to determine how well they managed the process. Monitoring and review will also help them to understand where further improvements may be required. If, for some reason, the change process has not been successful, managers can evaluate why the change process has failed.

One method of evaluating the process of change is through key performance indicators (KPIs). These monitor how well parts of an organisation are working towards fulfilling business objectives. For example, if an objective was to increase productivity, output can be measured and then compared to output data from before the change programme. This helps to establish if it has increased.

Evaluating the outcomes helps to keep the process of change moving forward. For example, if the original strategy needs to be revised, it allows managers to make decisions that enable future processes of change to be more effective.

The changes that took place at HMP & YOI Doncaster were striking. After the CMI training and development, staff morale and managers' confidence grew. They started to think more strategically about how to overcome challenges. First-line manager turnover fell significantly. This was because the issues identified in inspection reports had been tackled. Managers were able to approach challenges in a completely different way. They developed a better understanding of leadership and management, and of their own strengths and development needs as leaders. The programme helped to reduce costs and retain talent. Ultimately, it enabled individuals to contribute effectively to the setting and fulfilling of the organisation's objectives.

Conclusion

Organisational change takes place for a number of reasons. Often this is because of changes in the internal and external environment. Organisations implement changes to increase the effectiveness of the business. Change can be a complex process and there may be barriers to overcome. This is why implementing change programmes within an organisation requires effective managers. CMI training and development ensures that managers have the skills and competencies required to manage their team through a process of change. It enables them to deal with the change process and to monitor and evaluate change. This helps to reduce possible resistance to change and establish if the change objectives were achieved.

1. Describe one internal factor and one external factor that might cause change in the business environment. (2 marks)
2. Explain two benefits of having well trained managers when managing change. (4 marks)
3. Using an example, analyse why individual employees might resist the process of change. (6 marks)
4. Evaluate why an organisation might want to create a culture of change. (8 marks)