



## THE TIMES 100

### BUSINESS CASE STUDIES

## Change management - CMI

Change is something that happens in businesses all of the time. Change can occur in an organisation's internal or external 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. 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.

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 set 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. At the forefront of this is the setting of change objectives. They then have to work out the best way to achieve these objectives. 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.

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.

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 resistant to change if not managed effectively. 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.

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.





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### Questions

1. Identify two things that might occur in the external environment which will require an organisation to make changes.

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2. Describe the two types of decisions that may need to be made.

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3. Explain some potential barriers to change.

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4. Analyse why effective communication is so important in managing change.

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### Task

*Investigation* – in pairs or small groups, carry out an investigation into a change that has taken place in an organisation with which you are familiar. Write a brief report of how the change was managed. Consider the process involved, the communication that took place and how the change was evaluated.

### What have you learned?

Are the following statements true or false?

1. Some workers will resist change
2. Good communication with employees will help to make the process more effective
3. Change occurs very rarely
4. Improving technology can be a driver for change
5. It is better if employees are not involved in the change process
6. Change is usually quick and inexpensive