

ILM Level 3 Leadership & Management
Planning Change in the Workplace

Unit 8600-302



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Planning change in the workplace - Unit Specification		
Level: 3 Credit value: 2 Unit guided learning hours 9		
Learning outcomes (the learner will)	Assessment criteria (the learner can)	
1. Understand the forces for change in an organisation	1.1	Identify the forces that may require own organisation to change by conducting a simple PESTLE or SWOT analysis
2. Know how to identify and plan change in an organisation	2.1	Give an example of change required in the workplace reflecting the SWOT or PESTLE analysis
	2.2	Identify relevant human and financial factors in the consideration of planning change within the context of the example given
	2.3	Explain how to communicate with, and involve people to facilitate effective change
	2.4	Use a technique for planning change within the given context
Unit purpose and aim: To be able to plan change in an organisation as required by a practising or potential first line manager.		
Indicative Content: <ul style="list-style-type: none"> • PESTLE analysis • Organisational SWOT analysis • The principles of change management • Methods of planning for change • Use of Gantt charts, Network Planning as tools for planning change • Identification of human and financial factors in the consideration of change • The importance of communication and involving people to facilitate effective change 		

This table is extracted from the ILM Qualification Specifications

Introduction

To understand change and therefore to be able to successfully plan and implement change in the workplace, managers need to be aware of the different types of change, the origins of change and the way in which people react to and cope with change.

The events of the last 30 to 40 years can sometimes lead us to believe that change is a recent phenomenon. The reconstruction of Europe post-World War II, the Cold War, and the Fall of the Berlin Wall – all momentous events – to the rise of globalism, and in particular the emergence of the Pacific Rim as an economic powerhouse, coupled with the inexorable march in technological growth makes the early part of the 21st Century an exciting and challenging world in which to live.

Change is not, of course, a new phenomenon. Over the centuries, as man's understanding of the world has grown – from the Age of Enlightenment, to the Renaissance, to the Industrial Revolution – we have seen significant change occurring. Indeed, let us consider the following 2 quotes from the 19th Century:

"Change is inevitable. Change is constant."

Benjamin Disraeli (1842)

and

"It is not the strongest species that survive, nor the most intelligent, but the ones who are most responsive to change"

Charles Darwin

In one sentence, Darwin asserts that change has been here since time began. In primitive times, we know that humans changed and adapted to their environment to survive. As we shall see, the need and desire to survive still drives change. Indeed, from the organisational and business context, an inability to recognise the need for change and to make change that sticks can be the difference between success and failure.

This workbook introduces students to the concept of change, the importance of innovation and creativity – one of the fundamental 'drivers' of change in organisations and businesses – and explores how to implement change within the workplace taking into account the 'human factor'; that is, how to take the people who are affected by the change with you.

Defining Change

In any study of management it is important to establish a set of definitions for relevant concepts. Change is a word we come across frequently in a wide variety of settings. In its purest form, change is '*making something different*'. Webster's Dictionary offers the following definitions:

- To make different in some particular way – *to alter*;
- To make radically different – *to transform*; or,
- To give a different position, course or direction.

These definitions offer some immediate insight into what change in the workplace might look like. In simple terms, change can take many forms and have different levels of impact, depending upon both the type of change and the timing. Each type of change will be perceived by those that are affected as carrying some level of threat. Typically, we find that there are 4 types of change that take place. Each of these has a corresponding indicative level of threat:

Types	Threat Level
Incremental	Low
Annual	Low
Step	Significant
Metamorphosis (Major)	High/Very significant

(Based on Russell-Jones)

Looking more closely at each type of threat, we can perhaps understand why the indicative level of threat is as it is.

Incremental Change: is change which is typically improvement-driven. For example, a company identifies customer dissatisfaction with the way in which telephone calls are handled and changes the process for answering telephone calls to rectify and to improve the service offered.

Annual Change: is change that takes place annually. An example of an annual change might include the setting of departmental budgets.

Step Change: is incremental change that is implemented in 'phases' or 'steps'. For example, customer dissatisfaction with telephone call handling could be addressed by the company implementing several new processes or procedures at once.

Metamorphosis or Major Change: is change which radically transforms the way business is done. The introduction of a central call centre to handle all customer calls would be an example of a major change.

Activity: Consider the types of change that you have experienced in your organisation or company, or, indeed, change that you have observed elsewhere and make a list of examples for each type of change:

Type of Change			
Incremental	Annual	Step	Major

In completing the table, you are likely to have identified that a significant number of change initiatives which take place in organisations are as a result of something happening elsewhere. Indeed, in every organisation there are a myriad of things that can lead to or initiate change; these are often called 'change drivers'.

Activity: Looking at your own organisation, list potential drivers for change:

Example

Drivers for change might include some or all of the following:

- New technology
- Government legislation
- The appointment of a new chief executive or senior figure
- Customer demand for new and improved products and services
- Internally-driven improvements in productivity and/or profitability
- Need to reduce costs
- Financial recession
- Local and (increasingly) global competition
- Competitor innovation
- Product obsolescence
- Loss of market share
- Loss of revenue
- Higher taxation
- Mergers and take-overs
- Organisational inefficiency

The drivers do not of themselves, however, necessarily set out *what* change has to be made to survive or *how* that change could be made.

For example, a reduction in the annual budget for a given department within an organisation might be addressed in a number of ways: money could be saved by reducing the number of people employed within the department or by changing the output in some way or, possibly, by doing less of whatever the department does.

Analysing the Operating Environment

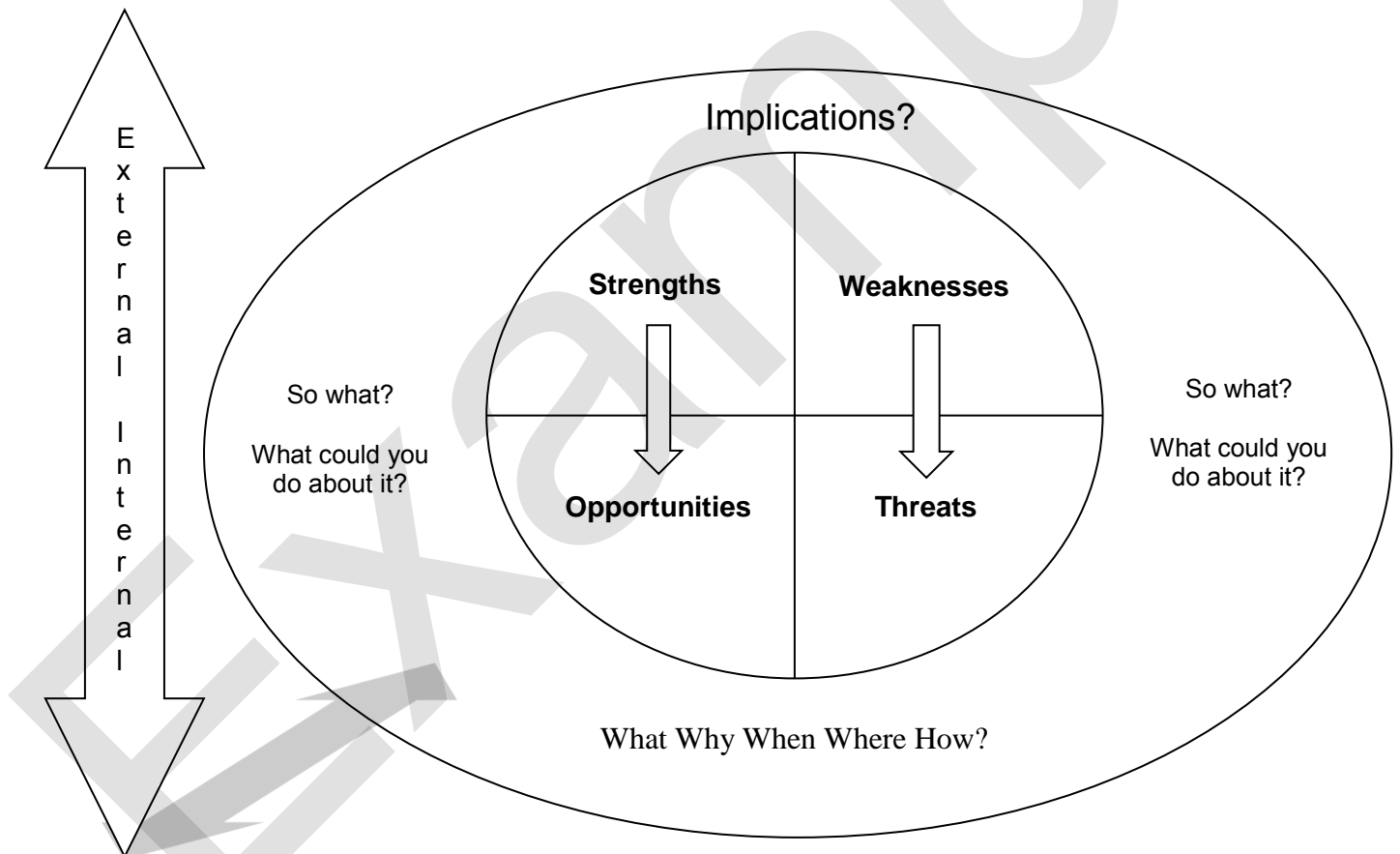
Organisations that are serious about innovation are constantly looking ahead to spot opportunities and to identify where the challenges might lie. SWOT Analysis and PESTLE Analysis are 2 tools that help in isolating issues and opportunities for innovation. SWOT analysis can also be useful in assessing and evaluating an innovative idea.

SWOT Analysis

SWOT analysis – standing for **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats – helps provide focus on key issues. Strengths and weaknesses are internal factors. Opportunities and threats are external factors. Identification of strengths and weaknesses, opportunities and threats is all very well but it is a deeper level of analysis that answers the more difficult questions such as ‘so what’ and ‘what could you do about it’ and ‘what are the implications of your observations’ that are where time is likely to be well invested. The logic being that strengths will always give you opportunities, while weaknesses will usually present a threat.

When undertaking SWOT analysis, it is good practice to:

- Keep it simple
- Be realistic in assessing strengths and weaknesses
- Be specific and avoid ambiguity
- Consider applying SWOT to your competition (opens up new thinking, where identification of others' strengths might give you opportunities to replicate and their weaknesses might give you opportunities to get ahead)
- Avoid over analysis and consider the implications of your observations



The SWOT ANALYSIS Framework (Format: AH Raymondson, 2008)

Activity: Undertake a SWOT analysis of your department and identify at least 3 possibilities for major change.

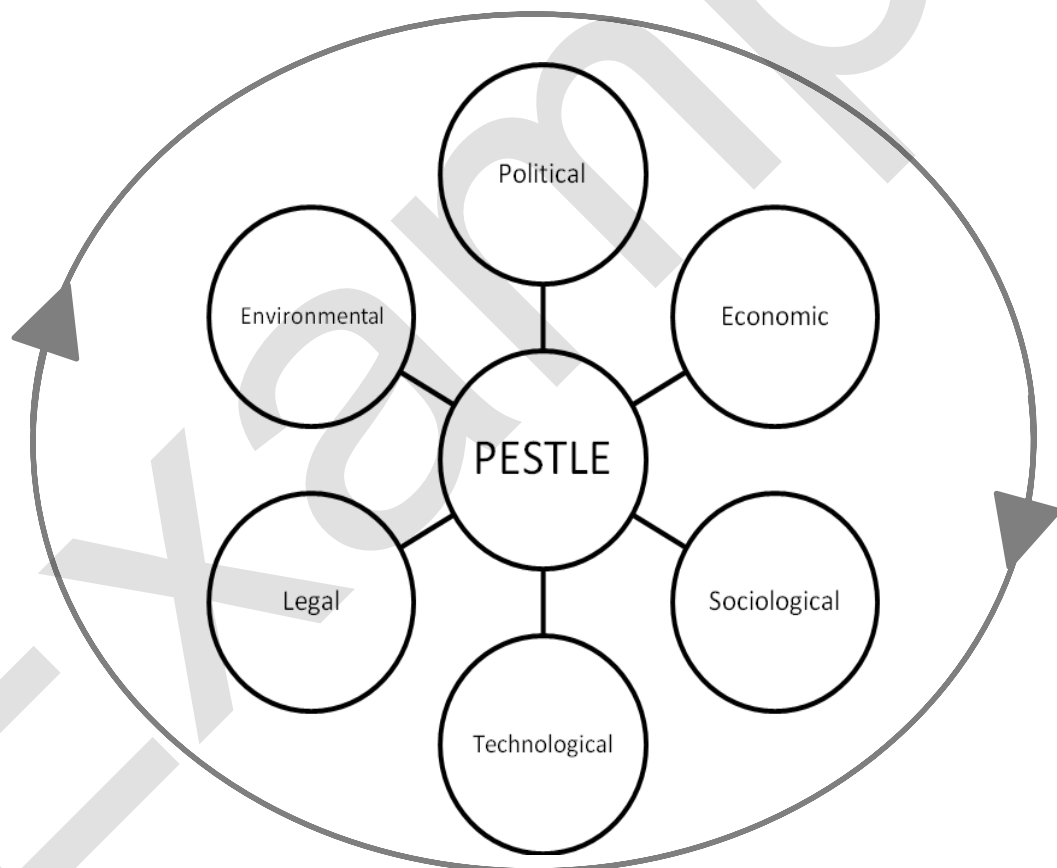


PESTLE Analysis

PESTLE analysis – standing for **P**olitical, **E**conomic, **S**ociological, **T**echnological, **L**egal and **E**nvironmental factors – is useful in understanding the business environment as a whole, and is often used together with SWOT analysis. It can be useful in analysing drivers for change and in considering the implications and impact of change in the external environment on the organisation.

Questions in applying the framework might revolve around:

- What key political influences are likely to impact on the business?
- What significant economic factors are there?
- What sociological aspects are most prominent?
- What technological advances are imminent?
- What current and future legislation might affect the business?
- What environmental issues need to be considered?



The PESTLE Framework (Format: AH Raymondson, 2010)

The PESTLE Framework

Activity: Consider some recent changes made by large organisations. Frame your thinking against the PESTLE model. What has been the impact of those changes for smaller organisations in terms of opportunities and/or threats? Use the following table below to capture your thoughts:

'PESTLE' Framework Element	Change	Threats / Opportunities
Political		
Economic		
Sociological		
Technological		
Legal		
Environmental		

An example of an environmental issue that might span several of the PESTLE elements is the move to reduce greenhouse gasses. Legislation requires organisations to take certain actions and numerous economic benefits have been created for companies providing, for example, low emission materials and equipment, such as 'clean' vehicles, loft insulation and low energy lighting. Application of technology has a part to play also in this field – as with development of advanced computer processing units in vehicles to control engine efficiency, which contributes to achievement of 'lean burn' engines and lower emissions. Similarly, the

creation of low emission zones in cities has created both threats and opportunities – difficulties for transport companies arise and opportunities for those providing solutions – for example production of catalytic exhausts for delivery vehicles to enable them to meet the emissions requirements.

Activity: Now, reconsider the PESTLE model to establish what changes might be necessary in your organisation. Consider too, the benefits of each change identified. Use the following table below to capture your thoughts:

'PESTLE' Framework Element	Issue	Necessary Change	Benefits of the Change (human & financial)
Political			
Economic			
Sociological			
Technological			
Legal			
Environmental			

Benefits of Change

Taking, as a starting point, the Darwinian view that change is essential for survival, the logical conclusion would be that change is a good thing. In an organisational context, any proposed change must bring *benefit* if it is to be meaningful. The concept of derived benefit can be difficult for some organisations to grasp. By failing to understand the benefit(s) to be obtained from a proposed change, and by not being clear about the benefit, these organisations run the risk of failing to successfully deliver the change.

One of the biggest challenges organisations face in identifying the potential benefits of a change is the definition of a readily understood measure of success. For example, a company decides to manage one of its support functions differently by outsourcing that function. To quantify the benefit in this case is reasonably easy since a comparison between the cost of in-house delivery and the cost of an outsourced service would reveal a cost saving. This easily quantified benefit is defined as a *tangible* benefit.

Where things become more difficult is where there is a significant payback period – that is, the benefit of the change will not be derived for several years – or where the benefit is *intangible*. An intangible benefit is one which is not easily quantified. For example, a company proposes to allow staff greater freedom to choose their own working hours arguing that staff morale will be improved. Finding measures to confirm that the benefit – improved morale – has been achieved is challenging and, indeed, imprecise.

Activity: Think of 5 significant changes that have taken place in your organisation and identify the potential benefits of change to your organisation and the people within the organisation.

Example

Note: Every effort has been made to ensure the accuracy of this workbook. However, no liability can be accepted for misapplication of the content. In particular the legislative elements are subject to frequent change and readers are advised to check the latest legal situation before taking action in the workplace.

Bibliography/Further Reading

Author	Title	Publisher
Esther Cameron & Mike Green	<i>Making Sense of Change Management</i>	Kogan Page
Daryl R Conner	<i>Managing at the Speed of Change</i>	John Wiley & Sons
Charles Handy	<i>Understanding Organisations</i>	Penguin Press
Chip and Dan Heath	<i>How to Change Things When Change is Hard</i>	Random House Business Books
Dr Spencer Johnson	<i>Who Moved My Cheese?</i>	Vermillion
John P Kotter	<i>Leading Change</i>	Harvard Business School Press
Neil Russell-Jones	<i>Managing Change Pocketbook</i>	Management Pocketbooks Ltd

Example

Example

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Example



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