22718C Strategic Change Management

Unit code: J/602/2062

QCF Level 7: BTEC Professional

Credit value: 10

Guided learning hours: 30

Unit aim

This unit provides the learner with the understanding and skills to support active engagement in the process of strategic change management.

Unit introduction

Alvin Toffler's famous comment 'There is only one constant today and that is change' was made some decades ago, but now change itself is changing at a fast rate. The phenomenal pace of change in countries such as China and India is impacting on older, established economies in the western world. With such change comes uncertainty and insecurity. Organisations, even those in the public sector where 'steady state' was ever the watchword, can no longer sit back. All organisations are being increasingly challenged by change. Consequently, they need to understand the issues that drive the need for change in their own organisations. This means that organisations need to have a proactive approach to strategic change management.

Strategic change management is most effective when an organisation actively seeks the participation of all relevant stakeholders. A change management strategy will be effective only if it has the support of all stakeholders. If they are to have a sense of ownership, stakeholders need to have the opportunity to contribute to the development of the change strategy.

Strategic change impacts on the human resources structure of the organisation and this often means a restructuring of the workforce or changes in working practices. Almost inevitably, change will generate resistance from some, particularly those who feel that the change will have no positive benefits for them. Other people may resist change simply because they prefer the status quo. Organisations need to ensure that they have strategies in place to manage resistance to change and this should be part of the overall model that they adopt for managing the change. Once in place, progress towards change will need to be monitored.

Learners will develop an understanding of the models of strategic change and the role that stakeholders play in this process. They will then examine the need for change in a selected organisation and plan the implementation of a model for change.

Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

On completion of this unit a learner should:

Learning outcomes		Assessment criteria	
1	Understand the background to organisational strategic change	1.1	discuss models of strategic change
		1.2	evaluate the relevance of models of strategic change to organisations in the current economy
		1.3	assess the value of using strategic intervention techniques in organisations
2	Understand issues relating to strategic change in an organisation	2.1	examine the need for strategic change in an organisation
		2.2	assess the factors that are driving the need for strategic change in an organisation
		2.3	assess the resource implications of the organisation not responding to strategic change
3	Be able to lead stakeholders in developing a strategy for change	3.1	develop systems to involve stakeholders in the planning of change
		3.2	develop a change management strategy with stakeholders
		3.3	evaluate the systems used to involve stakeholders in the planning of change
		3.4	create a strategy for managing resistance to change
4	Be able to plan to implement models for ensuring ongoing change	4.1	develop appropriate models for change
		4.2	plan to implement a model for change
		4.3	develop appropriate measures to monitor progress

1 Understand the background to organisational strategic change

Models: John P Kotter's eight steps to successful change; Kübler-Ross five stages transition (grief) cycle; Prosci's five building blocks ADKAR (awareness, desire, knowledge, ability, reinformcement) model; McKinsey's 7S (strategy, structure, systems, shared values, skills, style, staff) framework; Kurt Lewin's change management model - unfreeze, transition and refreeze; Burke-Litwin's causal change model; action research; gap analysis

Strategic interventions: teambuilding consensus and conflict, game play, contingency theory, autocratic versus participative style, proactive and reactive, creating synergy; human process interventions; techno-structural interventions; human resources management interventions; organisational and external environment interventions

2 Understand issues relating to strategic change in an organisation

Need for change: reasons for change eg changes in markets, economic downturns, changes in global markets, customer expectations, competitive edge, budget pressures, legislation, size, demographics, mergers, acquisitions, change in mission, restructuring operations, new technologies, major collaborations, rightsizing, new programmes such as Total Quality Management (TQM), re-engineering

Factors driving the change: change drivers eg economics, political factors, environmental, financial pressures, new markets, loss of markets, technological advances, transition to a new chief executive, funding cuts, need to be competitive

Resource implication: human resources eg restructuring, interviewing and hiring, redundancies, training; physical resources eg equipment, vehicles, buildings; financial resources eg costs of training, redundancy costs, relocation costs; new building, refurbishment of existing buildings

3 Be able to lead stakeholders in developing a strategy for change

Systems to involve stakeholders: stakeholder analysis, systems modelling, systems and sub-systems, input transformation-output modelling, multiple cause diagrams, 'tropics' factors, configuration, divergence and convergence, functional and divisional structures, cultural web, images of organisations, team development, influencing skills, awareness raising, commitment development

Involving stakeholders in the change management strategy: six steps stakeholder circle (identify stakeholders, prioritise stakeholders, map their profiles, develop an engagement strategy, optimise their support, monitor changes); methods of involvement eg dialogue with individuals and groups, meetings, presentations, group facilitation, team building, coaching, delegating, developing and sharing a change plan

Resistance to change: types of resistance eg individual versus collective, passive versus active, direct versus indirect, behavioural versus verbal or attitudinal, minor versus major, resistance to the content of change, resistance to the process of change.

Strategies: eg open communications, education, involvement, forums, listening to stakeholders, feedback, addressing needs, ownership of the change, change champions, communicate the vision, getting the support of all key power players, focus on the positives, delivering training programmes

4 Be able to plan to implement models for ensuring ongoing change

Plan to develop appropriate models for change: choice of appropriate model eg John P Kotter's eight steps to successful change; Kübler-Ross five stages transition (grief) cycle; Prosci's five building blocks ADKAR (awareness, desire, knowledge, ability, reinforcement) model; McKinsey's 7S (strategy, structure, systems, shared values, skills, style, staff) framework; Kurt Lewin's change management model - unfreeze, transition and refreeze; Burke-Litwin's causal change model; action research; gap analysis

Plan to implement a model for change: organisational development, Business Process Re-Engineering (BPR), learning organisation, Kaizen, delayering and right-sizing, matrix organisations, network organisations, adhocracy, virtual organisation, push and pull strategies, conflict handling, transformational leadership, empowerment, consultation, contextual planning, contingency planning, adjustments, flexibility

Develop appropriate measures to monitor progress: eg goal-based evaluation, process-based evaluation, outcome-based evaluation, regular reports, meetings, quality circles, progress reviews, milestones, deadlines

Essential resources

There are no essential resources required for this unit.

Indicative resource materials

Textbooks

Blake I and Bush C – *Project Managing Change: Practical Tools and Techniques to Make Change Happen* (Financial Times/ Prentice Hall, 2008) ISBN 0273720457

Cameron E and Green M – *Making Sense of Change Management* (Kogan Page, 2009) ISBN 0749453109

Carnall C – Managing Change in Organizations, 5th Edition (Financial Times/ Prentice Hall, 2007) ISBN 0273704141

Diamond M A and Allcorn, S – *Private Selves in Public Organizations: The Psychodynamics of Organizational Diagnosis and Change* (Palgrave Macmillan, 2009) ISBN 0230613098

Dunphy D, Griffiths A and Benn S – *Organizational Change for Corporate Sustainability* (Routledge, 2007) ISBN 0415393302

Fullan M - Leading in a Culture of Change (Jossey-Bass, 2007) ISBN 0787987662

Goncalves M – Change Management: Concepts and Practice (American Society of Mechanical Engineers, US, 2007) ISBN 0791802647

Green M – Change Management Masterclass (Kogan Page, 2007) ISBN 0749445076

Helms-Mills J, Dye K and Mills A J – *Understanding Organizational Change* (Routledge, 2008) ISBN 041535577X

Herold D M and Fedor D B – Change the Way You Lead Change (Stanford University Press, 2008) ISBN 0804758751

Kehoe D – *Leading and Managing Change* (McGraw-Hill Professional, 2008) ISBN 0070137889

Leban B – Managing Organizational Change, 2nd Edition (John Wiley and Sons, 2007) ISBN 0470897163

Lewis S, Passmore P and Cantore S – *Appreciative Inquiry for Change Management* (Kogan Page, 2007) ISBN 0749450711

Nelson S - Implementing for Results (ALA Editions, 2009) ISBN 0838935796

Stewart Black, J and Gregersen H B – *It Starts with One: Changing Individuals Changes Organizations* (Wharton School Publishing, 2008) ISBN 0132319845

Journals

Academy of Management Journal (Academy of Management)

British Journal of Management (John Wiley and Sons)

California Management Review (University of California, Berkeley)

European Management Journal (Elsevier)

Harvard Business Review (Harvard Business Publishing) Journal

of General Management (Braybrooke Press Ltd) Journal of

Management Studies (John Wiley and Sons) Management Today

(Haymarket Business Media)

MIT Sloan Management Review (Massachusetts Institute of Technology)

Websites

www.businessballs.com

Change management articles and links

Www.changingminds.org

Useful articles on strategic change by leading theorists

Www.managementhelp.org

Articles on strategic change and further links

Www.themanager.org

The '7s' model of change

www.mindtools.com Lewin's change management model www.12manage.com Articles on the framework for change