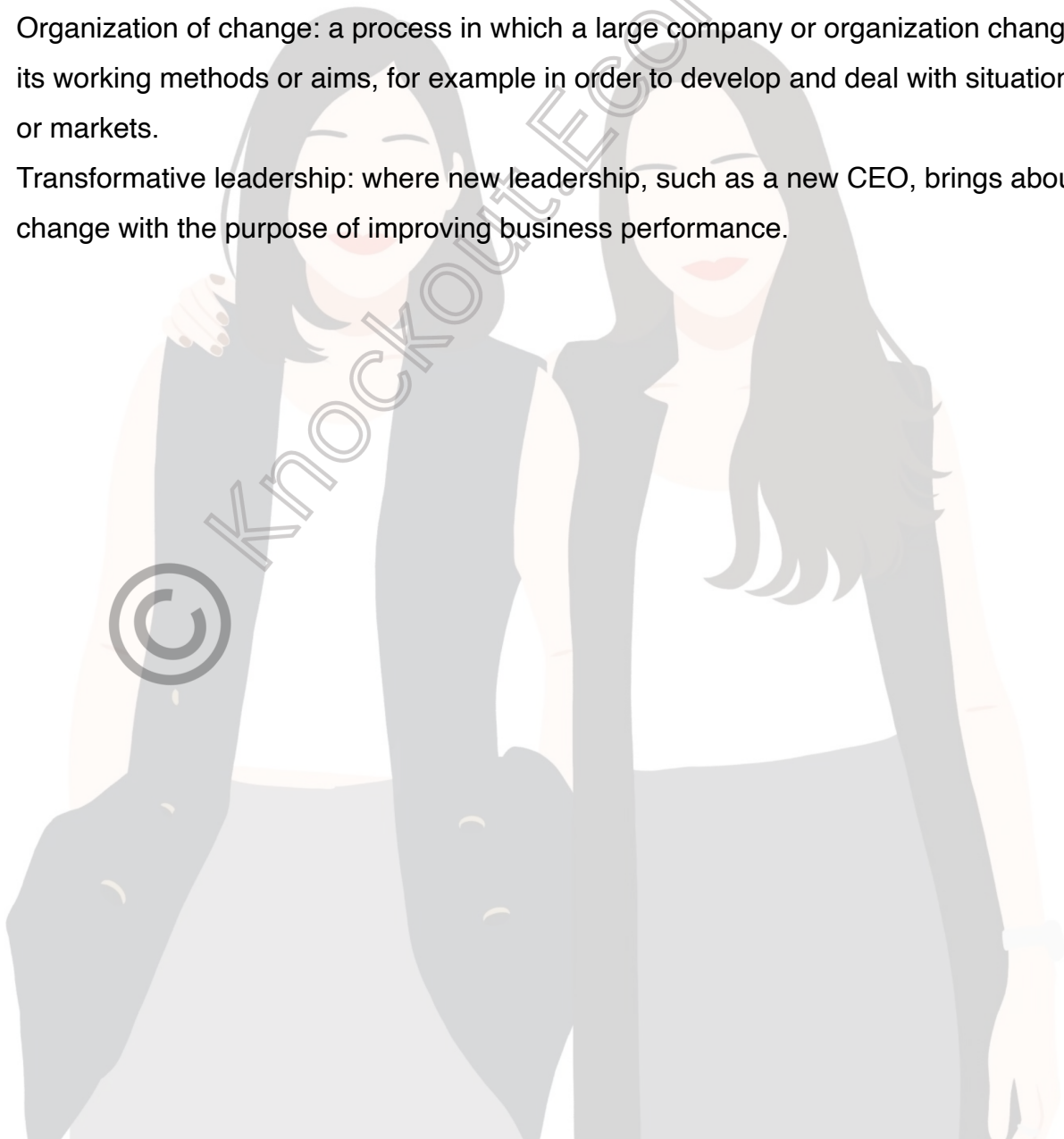


Section 6 managing change.

Chapter 20 key factors in change

Key terms

1. **Insolvency:** the state of being unable to pay the money owed, by a person or company, on time.
2. **Management consulting:** the practice of helping organisations to improve their performance
3. **Management of change:** the process of organizing and introducing new methods of working within a business.
4. **Organization of change:** a process in which a large company or organization changes its working methods or aims, for example in order to develop and deal with situations or markets.
5. **Transformative leadership:** where new leadership, such as a new CEO, brings about change with the purpose of improving business performance.



1. Possible causes of change in business.

- Business may use SWOT or PESTLE analysis to assess the nature of future changes and how likely they are.

2. Managing change

- Change management is the process of organising and introducing new methods of working in a business.

1) Organisational culture

⇒ It may change because of merger & takeover.

⇒ To avoid culture clash (when two cultures do not get along)

2) Size of organisation

⇒ moving from centralised decision making to decentralised.

3) Time / speed of change

⇒ e.g. fashion industry → fast change in trend and also product development.

4) Managing resistance to change.

- resistance to change is caused by fear of unknown, fear of redundant, fear of unable to work with preferred colleagues.

5) Transformative leadership

- may lead to a new vision or strategic direction for the business