Pathways Plus

Strategic Management and Leadership

Level 7

SAMPLE MATERIAL

Unit 7021V1

Introduction to Strategic Management and Leadership

Pathways Plus

Unit 7021V1 Introduction to Strategic Management and Leadership

Copyright © Chartered Management Institute, Management House, Cottingham Road, Corby, Northants NN17 1TT

First edition 2010

Author:	Ray Rowlings
Consultant:	Bob Croson
Series consultants:	Roger Merritt Associates
Project manager:	Trevor Weston
Editor:	Suzanne Pattinson
Page layout by:	Decent Typesetting

Revised July 2013

British Library Cataloguing-in-Publication Data. A CIP catalogue record for this publication is available from the British Library.

ISBN 0-85946-533-0

All rights reserved, save as set out below. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the written permission of the copyright holder except in accordance with the provisions of the Copyright, Designs and Patents Act 1988 or under the terms of a licence issued by the Copyright Licensing Agency Ltd, 90 Tottenham Court Road, London, England WIT 4LP.

Applications for the copyright holder's written permission to reproduce any part of this publication should be addressed to the publisher. Permissions may be sought directly from the Chartered Management Institute in Corby, UK. Phone Publications on (+44) (0) 1536 207379, or email publications@managers.org.uk.

This publication is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, re-sold, hired out, or otherwise circulated without the publisher's prior consent in any form of binding or cover other than that in which it is published and without a similar condition being imposed on the subsequent purchaser.

Approved centres may purchase a licence from the publisher, enabling PDF files of the publication to be printed or otherwise distributed solely within the centre for teacher and student use only according to the terms and conditions of the licence.

Further information is available on the licence from the Chartered Management Institute.
Phone (+44) (0) 1536 207379, or email publications@managers.org.uk.

Every effort has been made to trace holders of copyright material reproduced here. In cases where this has been unsuccessful or if any have inadvertently been overlooked, the publishers will be pleased to address this at the first opportunity.

The publishers would like to thank the following for permission to reproduce copyright material:

- Kogan Page for Figure 2.4 on p. 142, 'Performance measures', adapted from *Performance Management: Key Strategies and Practical Guidelines* by Michael Armstrong (2006, 3rd edition).
- McGraw-Hill Publishing Company for Figure 1.3a on p. 23 'The leadership pipeline' adapted from *A Manager's Guide to Self-Development* by Mike Pedler, John Burgoyne and Tom Boydell (2007, 5th edition).

SAMPLE MATERIAL

Contents

About Pathways Plus 7

Introduction 11

Section 1 Planning your personal development .. 13

Topic 1: Identifying and planning leadership development opportunities 15

1.1 Where am I as a leader? 15

1.2 Opportunities for development 19

1.3 Career planning 23

Topic 2: Implementing and evaluating your plan 30

2.1 Leadership development planning 30

2.2 Implementing the development plan 34

2.3 Evaluating the development plan 41

Section summary 46

Section 2 Understanding and analysing data and information 49

Topic 1: Understanding management data and information 51

1.1 What is management information? 51

1.2 Five attributes of management information 52

1.3 Environmental scanning 56

1.4 Management information and decision making 61

1.5 Senge's ladder of inference 64

1.6 Make or break decisions 65

Topic 2: Identifying, analysing and drawing conclusions from data 68

2.1 What is financial data? 68

2.2 The reliability of financial data 69

2.3 Validating financial data 71

2.4 The value of financial analysis 76

SAMPLE MATERIAL

2.5 Tools and techniques 79
Topic 3: Presenting your recommendations 88
3.1 Professional report writing 89
3.2 Mapping to strategic objectives 90
3.3 Calculating the financial impact 90
3.4 Presenting the financials 90
3.5 Scenario planning 93
3.6 Risk assessment 93
3.7 Selling the benefits 94
Section summary 96

Section 3 Marketing planning 99
Topic 1: Strategy and marketing planning 101
1.1 Marketing and strategic objectives 101
1.2 The marketing planning process 105
1.3 A marketing audit 106
Topic 2: Components of marketing planning and risks 110
2.1 Using a SWOT analysis 110
2.2 Marketing objectives 112
2.3 Core marketing strategy 114
2.4 Managing marketing risks 116
Section summary 119

Section 4 Identifying the need for staff increases and assessing performance 121
Topic 1: The process of HR planning 123
1.1 Analysing information for HR planning 123
1.2 Components of the HR plan 128
Topic 2: Assessing and supporting performance improvement 133
2.1 Monitoring and measuring performance 133
2.2 Performance evaluation 137
2.3 Benefits of team performance meetings 140
2.4 Managing effective performance appraisal discussions 141

SAMPLE MATERIAL

2.5 Performance development and value 144
2.6 Effective evaluation 145
Section summary 149

Further reading 151

Before you move on 153
Preparing for assessment 153
The Management and Leadership Standards 153

SAMPLE MATERIAL

SAMPLE MATERIAL

About Pathways Plus

Development guides

There are 15 development guides in the *Pathways Plus* series to cover the 17 units of the qualifications at CMI Level 7: Strategic Management and Leadership.

7001V1 Personal leadership development as a strategic manager
(ISBN: 0-85946-572-1)

7002V1 Developing performance management strategies
(ISBN: 0-85946-577-2)

7003V1 Financial management
(ISBN: 0-85946-582-9)

7004V1 Strategic information management
(ISBN: 0-85946-587-X)

7005V1 Conducting a strategic management project
(ISBN: 0-85946-592-6)

7006V1/ 7011V1 Reviewing organisational strategy plans and performance/Strategic planning
(ISBN: 0-85946-597-7)

7007V1 Financial planning
(ISBN: 0-85946-503-9)

7008V1 Developing a marketing strategy
(ISBN: 0-85946-508-X)

7009V1 Strategic project management
(ISBN: 0-85946-513-6)

7010V1 Implementing organisational change strategies
(ISBN: 0-85946-518-7)

7012V1 Strategic human resource planning
(ISBN: 0-85946-523-3)

7013V1/ 7014V1 Strategic leadership/Strategic leadership practice
(ISBN: 0-85946-528-4)

7021V1 Introduction to strategic management and leadership
(ISBN: 0-85946-533-0)

7022V1 Developing risk management strategies
(ISBN: 0-85946-538-1)

7023V1 Strategic corporate social responsibility
(ISBN: 0-85946-543-8)

For further details on the development guides:

- Phone: (+44) (0)1536 207379
- Fax: (+44) (0)1536 207384
- Email: publications@managers.org.uk

SAMPLE MATERIAL

How to use the development guide

The development guides provide a critical commentary to the ideas of writers and thinkers in the management and leadership field. They offer opportunities for you to investigate and apply these ideas within your working environment and job role.

Structure

Each guide is divided into sections that together cover the knowledge and understanding required for the equivalent unit or units of the Chartered Management Institute Level 7 Strategic Management and Leadership qualifications.

Each section starts with a clear set of objectives linked to the learning outcomes of the qualification. You don't have to complete the sections in the order they appear in the guide (the mind map at the beginning of each guide will help you decide which sections and topics are of particular need or interest) but you should try to cover all sections if you are aiming for a full diploma qualification.

Activities

Throughout the guides there are activities for you to complete. These activities are designed to help you reflect on your own situation and apply your research to your organisation. Space and tables are provided within the activities for you to enter your own thoughts or findings, but in some cases you may choose to copy out the table or make notes in a separate notebook.

Timings

Timings are suggested for each activity to give you a rough idea of how long you should devote to them. They're not hard and fast, and you must decide whether you will benefit from spending longer on some activities than stated.

Supporting resources

The text of the guides is designed to provide you with an introduction to the subject and a commentary on some of the key issues, models and thinkers in the field. The activities are there to help provide a framework for your thinking. A key component of *Pathways Plus* (*Pathways Plus* because the development guides work together with the online supporting resources to provide an overall learning journey) is the list of references given throughout the text and at the end of each topic guiding you to the most appropriate supporting resources for you to explore yourself. These are marked with the symbol **SR** (as shown above).

You have the opportunity to select those resources that are of most interest or relevance to you and to use them as a source of guided research on a particular topic. Many of the supporting resources are immediately available by logging into CMI's online

SAMPLE MATERIAL

management and leadership portal, ManagementDirect (MDir) (http://mde.managers.org.uk/members), or where you work for an organisation that subscribes to this service use the specific link for your organisation (http://mde.managers.org.uk/(organisation name) . These resources are marked in the reference list at the end of each topic with **P+** standing for *Pathways Plus*. Once logged into ManagementDirect click on More…. on the navigation bar and select Senior Manager Resources, this will take you straight to the list of supporting resources as listed in the *Pathways Plus* topics. When there, click on the title of your development guide, the section and the topic you're interested in and then click straight to the article, video, checklist, extract or report that you want to find.

P+

For those resources that are not available through the CMI site, you will be directed to other sources (some also online) to reach what you need.

Preparing for assessment

Further information on assessment is available in the Student Guide produced as part of the *Pathways Plus* series. If you have any further questions about assessment procedures, it's important that you resolve these with your tutor or centre coordinator as soon as possible.

Further reading

Suggestions for further reading and links to management information are available via ManagementDirect through the Study Support section of the Institute's website at http://mde.managers.org.uk/members. Alternatively, email ask@managers.org.uk or telephone 01536 207400. You will also find titles for further reading in the Bibliography at the end of this workbook.

The CMI Management Library holds an extensive range of books and pamphlets for loan to members. A postal loan service is offered to members in the UK only. You will only pay your return postal charges. Go to www.managers.org.uk/library to review the collection and to place your requests.

SAMPLE MATERIAL

SAMPLE MATERIAL

Introduction

Welcome to this development guide which covers the foundation skills and knowledge of a strategic manager and leader.

In Section 1 'Planning your personal development' you will identify and plan leadership development opportunities as a strategic manager and leader. You will then explore ideas for implementing and evaluating your development plan and consider the impact of organisational objectives on your plan and what impact it may have on the achievement of organisational objectives.

In Section 2 'Understanding and analysing data and information' you will consider the data and information you require as a strategic manager and leader and explore the concepts of quantitative analysis. You will explore how to identify this information, how to analyse it for meaning and how to draw conclusions from the management information. There's a strong focus on financial performance information which is examined further by exploring options for recommending a course of action from the information gathered.

In Section 3 'Understanding core marketing concepts' you will consider the core strategic marketing concepts relevant to the role of a strategic manager. It covers strategy and marketing planning, marketing audits, marketing objectives and managing potential risks to the marketing planning process.

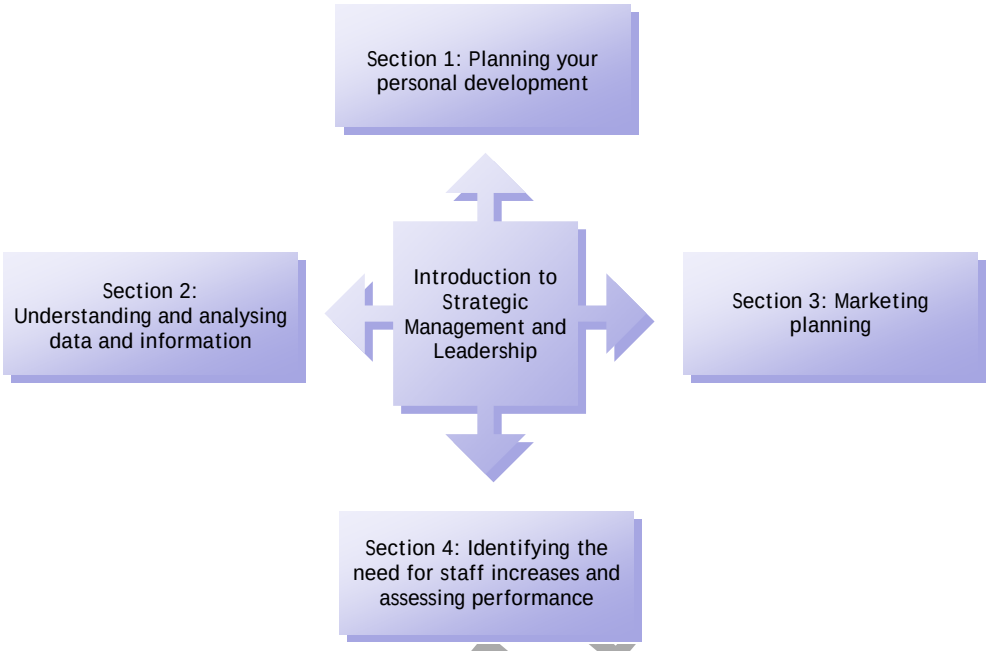
In Section 4 'Identifying the need for staff increases and assessing performance' you will explore strategic HR planning and the monitoring and measuring of performance. You will also explore the benefits of team performance meetings and how to support performance improvement.

This development guide draws on materials from the following development guides:

- 7002V1 *Developing Performance Management Strategies*
  by Peter Cumpstey and Phil Lindsay
- 7003V1 *Financial Management*
  by Bill Snaith and Jane Walker of Durham Business School
- 7004V1 *Strategic Information Management*
  by Ray Rowlings
- 7008V1 *Developing a Marketing Strategy*
  by Ray Rowlings
- 7012V1 *Strategic Human Resource Planning*
  by John Lambert

SAMPLE MATERIAL

Development guide mind map



Assessment

If you're studying for the Level 7 in Strategic Management and Leadership qualifications you will be assessed by your approved centre on your knowledge and understanding of the following learning outcomes:

Unit 7021V1:

1 Be able to construct a personal development plan

2 Understand data and information and skills of quantitative analysis

3 Understand core marketing concepts.

4 Understand the need for staff increases

5 Understand methods that support performance improvement

Recommended textbooks

For this development guide it will be helpful for you to have access to the following books:

Armstrong, M., 2006, *Performance Management: Key Strategies and Practical Guidelines*, Kogan Page

Chaffey, S., and Wood, S., 2005, *Business Information Management*, Pearson Education

Pedler, M., Burgoyne, J., and Boydell, T., 2007, *A Manager's Guide to Self-Development*, 5th edition, McGraw-Hill

SAMPLE MATERIAL

Section 1 Planning your personal development

Introduction

In this section you will identify and plan your leadership development. You will consider how organisational objectives may have an impact on your plan and in turn how your plan affects organisational objectives. The section will also provide guidance on how to implement and evaluate your plan.

The section builds on the principles of the personal development planning cycle shown below.

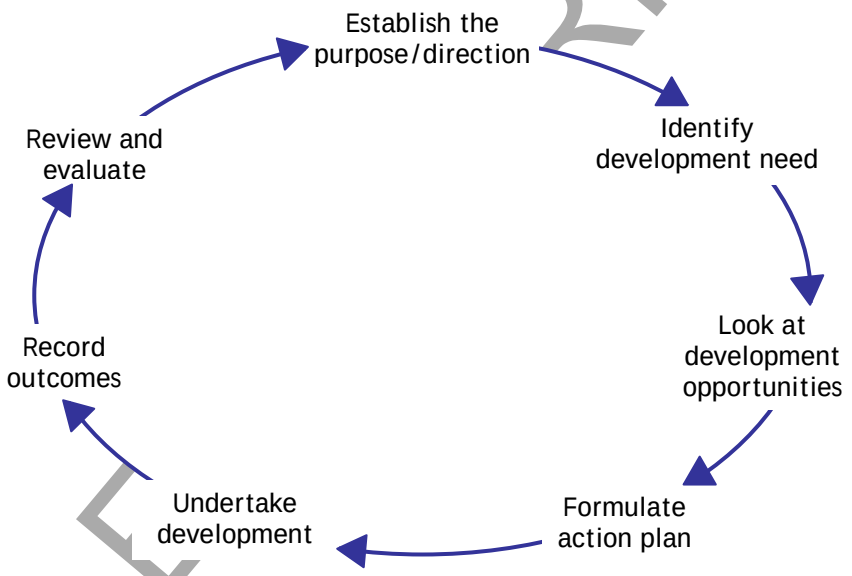


Figure 1.0a: Personal development planning cycle

The section uses material from Development Guide 7001V1 *Personal Leadership Development as a Strategic Manager*, in particular Section 1. If you find this section of particular interest you might like to obtain a copy of the development guide for further guidance on the subject area.

Learning outcomes

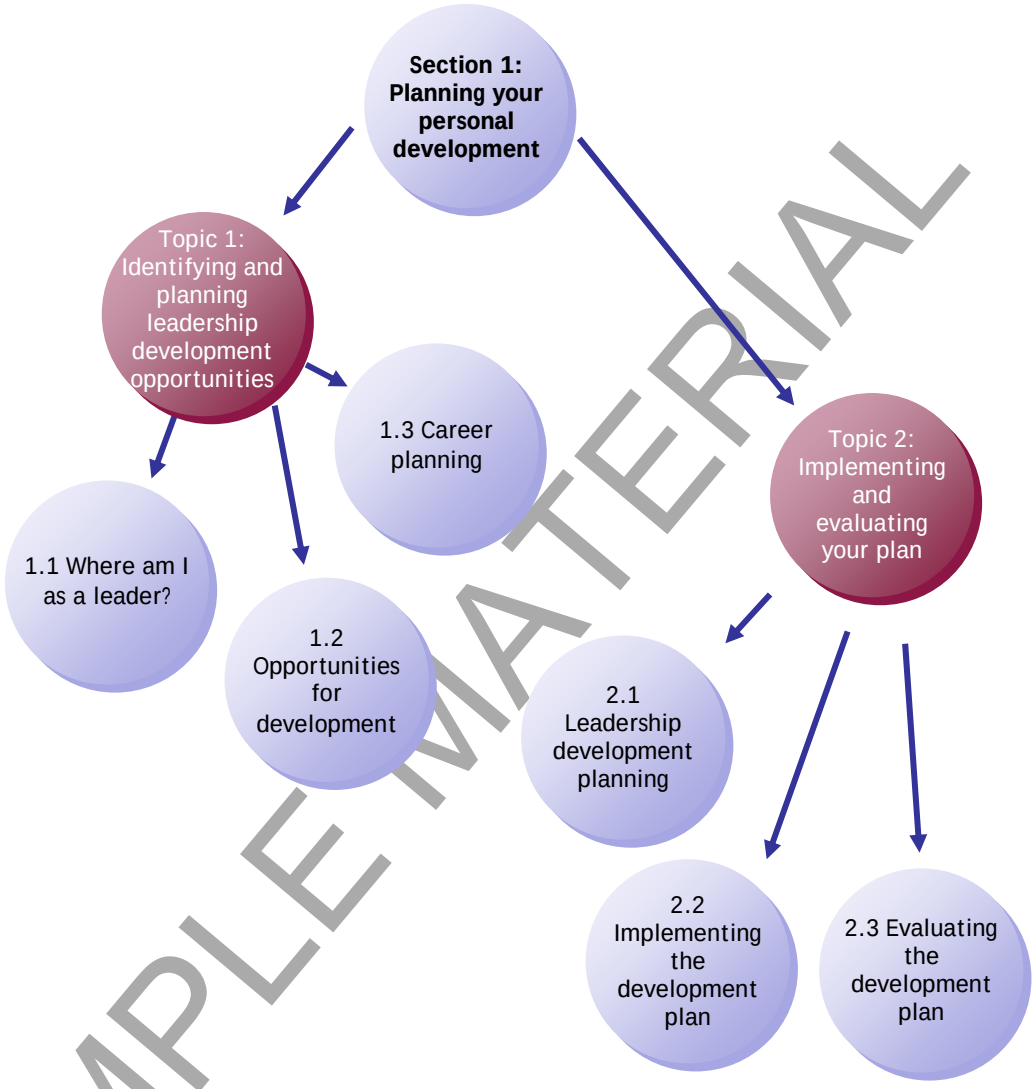
This section covers the following learning outcome:

7021V1.1 Be able to construct a personal development plan

SAMPLE MATERIAL

Section mind map

There are two topics in this section as shown below. Check the subjects within each one and then continue with the areas you need to explore.



SAMPLE MATERIAL

Topic 1: Identifying and planning leadership development opportunities

Introduction

This topic will help you identify and plan leadership development opportunities. In doing so it will encourage you to consider how these development opportunities relate to organisational objectives and in turn how organisational objectives can impact on your development plan.

The following example expands on this further.

Organisational objective	To develop and retain talent in the organisation in order to manage recruitment costs more effectively.
Impact of objective on personal development plan	As a senior manager, you have identified that talent management skills, in particular the identification of talent, would be vital in ensuring this organisational objective was met. In your development plan you identify that gaining some occupational testing and assessment qualifications would be beneficial and would help you apply the latest psychometric tools to identify talent. You would like to gain these by the end of the year.
Impact of personal development plan on organisational objective	Having implemented the development plan and applied occupational testing and assessment tools to the identification of talent in your department, you have improved your staff retention rate by 20% this year.

This topic area encourages the successful identification and planning of leadership development opportunities. While doing so, it's important to consider the impact on organisation objectives at every stage for maximum value.

1.1 Where am I as a leader?

SR 7

The Johari window framework was developed by Joseph Luft and Harry Ingham. It can be a helpful tool for self-awareness and demonstrates how feedback from others enables us to learn what others see in our behaviour.

SAMPLE MATERIAL

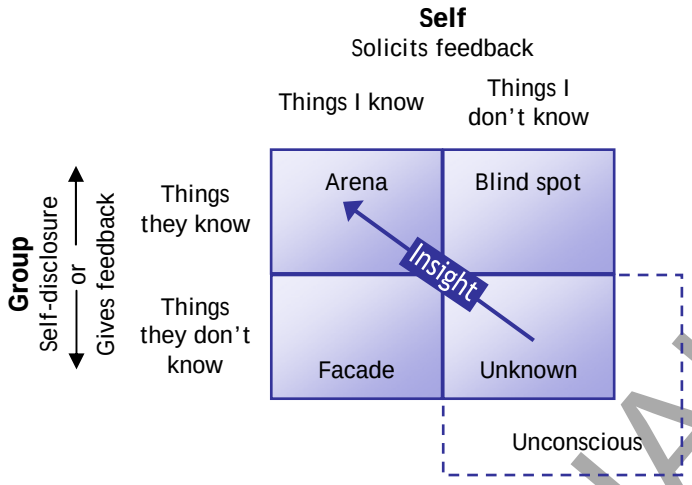


Figure 1.1a: Johari window

For personal leadership development, it would be useful to explore all four areas or windows. You should be aiming to reduce the following:

- façade
- blind spot
- unknown areas.

If you can do this, you'll increase the size of the arena area or window. You can do this by undertaking development activities that facilitate the giving and receiving of feedback. This could include:

- being coached
- being mentored
- performance review or appraisal
- 360 degree feedback analysis
- psychometric assessment
- undertaking an accredited development programme
- group feedback or interaction sessions.

An example of how this might work is shown below.

Scenario

Ben is a senior marketing manager in a mobile phone distribution company. He is currently studying for a Level 7 Diploma in Strategic Management and Leadership. As part of his studies, he considers how he could use the Johari window concept to highlight potential development areas. He then thinks about how he might gain feedback on these.

Window area	Development area	How feedback is obtained
Arena	I know my strategic planning skills need some development	Performance appraisal with my boss

SAMPLE MATERIAL

Window area	Development area	How feedback is obtained
Blind spot	Feedback from staff highlighted my need to communicate strategic goals more effectively	360 degree feedback analysis
Facade	I know that I have to work on being more patient with people	My sessions with the executive coach
Unknown	Potential aspects for development that relate to personality or behaviour	Feedback from my occupational personality questionnaire (OPQ) assessment and discussion of results with my mentor. Do they identify opportunities for development?

Activity

Activity 1.1a **30 minutes**

Answer the following questions.

- How might you gain some feedback on where you are as a leader?
- Who might you consult with?
- How might you do it?
- What current feedback could you use as a starting point?

SAMPLE MATERIAL

Kolb's learning cycle

SR 9

An important aspect of self-awareness is to understand how you learn and how you can learn more effectively. This model, developed by David Kolb, identifies a four-stage cycle of learning.

You should be familiar with the basic format of Kolb's learning cycle. Further development of this model includes four key behaviours: accommodating, diverging, assimilating and converging. These are shown in the diagram below.

SR 11

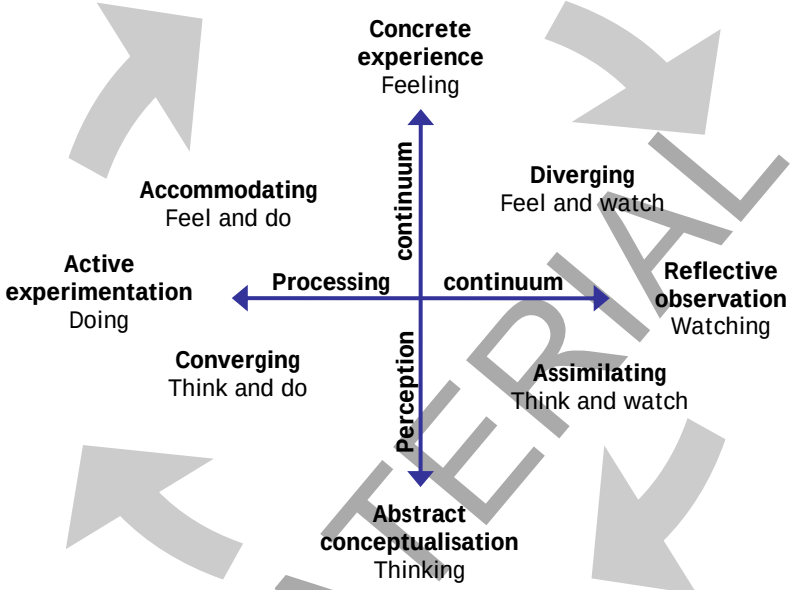


Figure 1.1b: Kolb's learning cycle

Here's an explanation of the four behaviours:

- **Diverging** (concrete, reflective): Emphasises the innovative and imaginative approach to doing things. Views concrete situations from many perspectives and adapts by observation rather than by action. Interested in people and tends to be feeling-oriented. Likes such activities as cooperative groups and brainstorming.
- **Assimilating** (abstract, reflective): Pulls a number of different observations and thoughts into an integrated whole. Likes to reason inductively and create models and theories. Likes to design projects and experiments.
- **Converging** (abstract, active): Emphasises the practical application of ideas and solving problems. Likes decision-making, problem-solving and the application of ideas. Prefers technical problems over interpersonal issues.
- **Accommodating** (concrete, active): Uses trial and error rather than thought and reflection. Good at adapting to changing circumstances. Solves problems in an intuitive, trial-and-error manner, such as discovery learning. Also tends to be at ease with people.

SAMPLE MATERIAL