

Student name:	Lawrence Qin	Student ID number:	2031014
Programme:	MBA		
Module:	Change & Stability Management		
Module code:	HKBM7015	Contribution to Overall Module Assessment (%):	75%
Lecturer:	Dr. Joe Leung	Internal Verifier:	Dr. Poon Che Cheong
Assignment Title:	Assessment 2 Report	Word count (or equivalent):	3000 words (maximum)
Submission deadline:	18 April 2022	Return date of provisional marks & written feedback:	17 May 2022
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark. Penalties for late submission: Up to one week late, maximum mark of 50%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.		
Academic honesty/ referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

Table of Contents

	<u>Page</u>
1 Introduction	1
1.1 Emergent Industrial Settings	
1.2 Change Agent	
1.3 Research Scope	
1.4 Research Importance	
2 Company Background	3
2.1 Company Profile	
2.2 Emergent Management Challenges	
3 Analysis and Discussion of Organizational Change	5
3.1 An Evolution View	
3.2 Modern Stability in Business Environment	
3.3 Organizational Change Benefits and Exceptional Events in Change	
3.4 Leadership and Collaboration	
3.5 Models	
4 Conclusion and Recommendations	13
4.1 Conclusion	
4.2 Recommendations	
References	15
Appendix A	21

1. Introduction

The aviation industry represents a considerable share of global economy, which has also a solid link with both downstream and upstream industrial sectors. In terms of downstream, aviation enables related services in serving leisure and business travellers, moving cargos to smooth global supply chain needs, as well as manifesting local airport economies. From upstream perspective, aviation is a lynchpin to faceplate the global operation in air transportation, aircraft manufacturing and leasing, and petroleum production.

1.1 Emergent Industrial Settings

Given the economic importance of aviation industry on the world stage, the economic impact from COVID-19 would create a ripple effect to businesses operating around the industry. National quarantine and travel restrictions ensuing the pandemic have introduced a direct hit to the demand of airline services. Both Figure 1 and 2 below from ICAO have illustrated a gloomy reality, where airline capacity has continuously dropped by 40% and revenue loss marched on with USD 324 billion in 2021. Asia Pacific suffers the most, leading with loss of USD 122 billion in 2020.

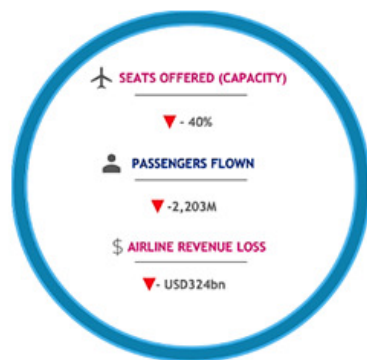


Figure 1 Global Economic Impact of Civil Aviation 2021
Source: ICAO (2022)

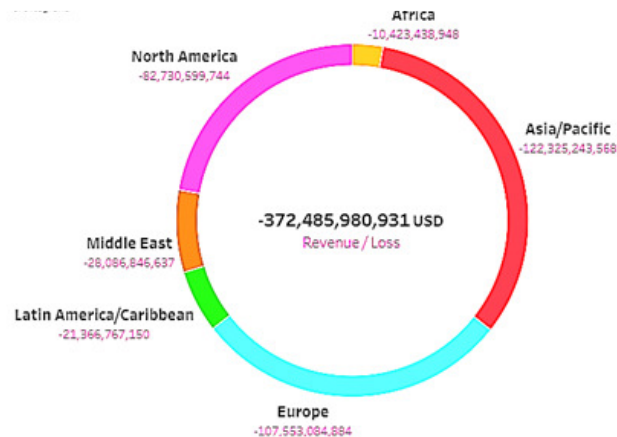


Figure 2 Revenue & Loss by Carrier Regions 2020 vs 2019
Source: ICAO (2021)

Cathay Pacific Airways (Cathay), Hong Kong's flagship airline home for over 70 years, has no exception under the current strenuous business environment. Cathay has suffered a loss of HKD 7.6 million in the first half of 2021, with a 96.4% reduction in passenger demands and a 17.7% decrease in cargo needs (Cathay Pacific, 2021). The amalgamation of disappointing demand and challenging supply around the uncertain industry outlook has deepened discouraging perspective for Cathay.

1.2 Change Agent

Armenakis, Harris and Mossholder (1993) emphasized the importance of change agent role and its readiness from the start to safeguard the change management journey in addressing resistance, delivering transparent communication, weighing priorities, driving strategies, collaborating employees, and guiding trainings.

1.3 Research Scope

This research uses Cathay as a focus to critically assess how beneficial an effective organizational change management initiative could assist the airline to tackle management challenges from different environmental fronts throughout COVID-19 in order to achieve stability, incorporating with efficient leadership style and collaborative approaches, with the suitable models. A list of objectives to be achieved at the end is presented here to guide the discussion flows:

- To analytically evaluate desirable organizational change arenas that are agile enough to sustain external and internal issues evidently impacting business operations today
- To diagnostically gauge whether an exceptional change management approach is definitely suitable for the airline with business benefits
- To judiciously appraise how emerging leadership style could help Cathay in unifying organization at different layers to reclaim competitive advantage through the change
- To searchingly weigh on change models where continuous improvements could be further identified to enhance institutionalization

1.4 Research Importance

The research would like to aid Cathay to identify change management model that is agile in terms of organization, operation and management to react to uncertainties. Emergent force will require emergent strategies to handle under drastic environment. A thoughtful change plan makes an organization more dynamic under erratic environment, strengthens employees' motivations in its worst scenario, and further creates values to sustain the pandemic (Junnaid et al., 2020).

2. Company Background (500)

In 1946's Hong Kong, Cathay was home grown by two experienced pilots Farrell and de Kantzow, who had a vision to expand operations beyond the Pacific Ocean; and the airline was listed on Hong Kong Stock Exchange in May 1986 (Cathay Pacific, 2022).

2.1 Company Profile

According to Cathay Pacific (2021), the airline today employs over 23,000 staff worldwide and is the 8th largest passenger carrier and 3rd largest carrier in air cargo, with two major shareholders Air China of 28.2% and Swire Pacific of 42.3%, equipped with 239 aircraft serving 255 destinations. The Group also invests businesses in ground-handling, catering and laundry services.

To maintain its dual-brand operations in premium and budget streams, Cathay surprisingly announced its discontinuation of Cathay Dragon in 2020, a household brand in the city and acquired in 2006, and shift its low-cost carrier focus to newly attained HK Express in 2019, which scattered disappointing sentiment and fear that it was a strategic sacrifice to intimidate employees during its restructuring (Chak, 2020; Low & Magramo, 2020).

In Interim Report (2021), Cathay stated a loss of HKD 9.9 million for the Group, which passenger revenue dropped by 92.8% with its capacity loss of 85% and cargo performance was also restrained by crew quarantine measurements with revenue decrease by 0.6% thanks to ongoing global supply shortage.

While business performances are not at its best under the gruesome reality, Cathay's stereotypical organization behaviour unquestionably intensifies concerns for future sustainability during economic slumps, if further change management is not being pursued.

2.2 Emergent Management Challenges

The research utilizes a graphical approach to explore significant links of both external and internal challenging factors, of which have direct impacts to McKinsey's 7S in Figure 3. This could most straightforwardly provide Cathay a glimpse of its noteworthy managerial challenges, which are the foundations for change management to attack with below:

- To improve business strategies and processes, physically and technologically, in order to compete with industrial rivals and attract customers

- To modernize organizational culture and structure to enhance trust among top management, middle management and employees, with a goal also to boost transparency and communication with unions
- To emphasize on leadership style and shared vision to reinvigorate the organization and its corporate image through the industry

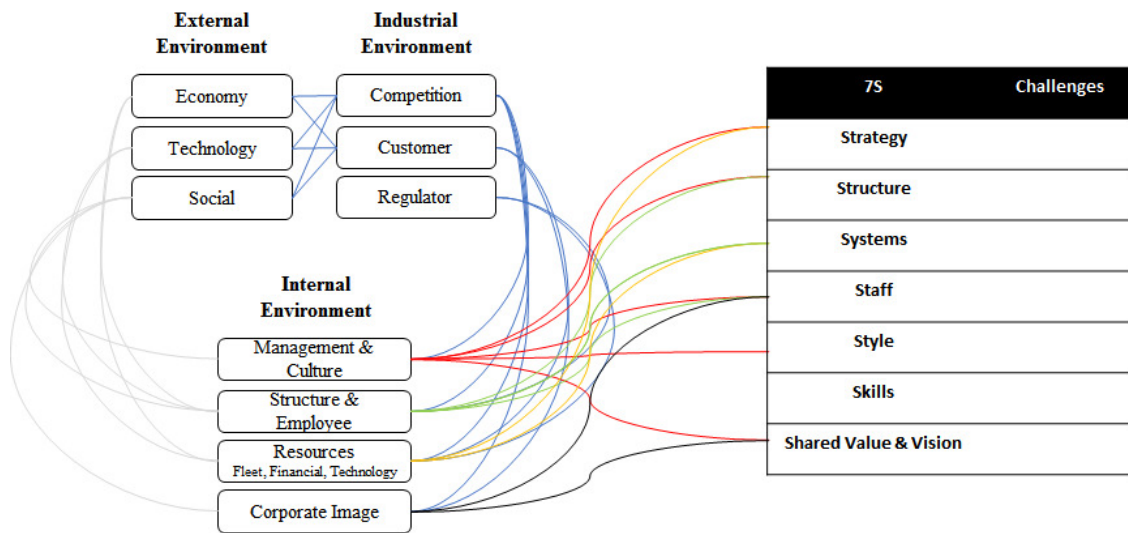


Figure 3 Environmental Challenges
Source: Constructed by Author

3. Analysis and Discussion of Organizational Change (1600)

Undoubtedly, mastering financial success is the key to ensure stability of today's business and complex environment endogenously and exogenously it operates within, the sustainability of organizational structure and processes are more so critical and a pretext of business stability under any economic atmosphere (Ilyin et al. 2021).

3.1 An Evolution View

Prior to in-depth discussions of the desirability of stability for modern business, some historical change management fundamentals and developments are worthy reviewing. Interestingly, Graetz and Smith (2010) summarized well-known organization change philosophies and authors' disagreements in a classic linear approach of static routine of change:

- *Traditional Change* is an orderly and controlled process with simple case of 'unfreezing, moving and refreezing', which is simply the key of leader to manage centrally (Nadler and Tushman, 1989; Kotter, 1990).
- *Biological Philosophy* is a Darwinian approach in natural selection which companies progressively evolve to cope with environmental constraints or sub-approach in recognizing the individuals at the center of organizations to experience the life-cycle of its own (Van de Ven and Poole, 1995; Kezar, 2000).
- *Psychological Philosophy* is to emphasize the importance of change dimensions within an individual and personal event (Lewin, 1947), reinforcing a biological approach.

The authors have stressed an alternative view, instead of unilaterally, in deploying a nexus or multi-prone philosophies of change mind-set.

According to Companies Registry (2022), 'a company is a separate legal entity...a legal person in its own right and separate from its owners' has stated well enough of the nature of a firm that has its own livelihood, full of biological beings within the organization to enable all its humanly functionalities:

- The leadership, culture and vision are the cognitive part of the brain.
- Business processes and strategies are the nerves running through each corner of the organization body.

- Employees are the limbs of an organization to function from its brain and nerves.

Coincidentally, these analogies collaborate with Graetz and Smith's arguments well enough to look into change management as a natural biological adaption rather than mechanical standards.

3.2 Modern Stability in Business Environment

Once the groundwork have been set, it's much easier to stream through the debates of whether stability is desirable or attainable under today's complex business environment.

Firstly, since organization is completely operated by individuals, the necessity to exam human's wants of stability is a priority. Staw and Ross (1985) reasoned that human are tend to search for significant stability psychologically over an extend period of time after short-term fluidity that is welcome in human nature, which the argument was echoed by Freeman and Robinson (1990).

Organizationally, change and stability knowingly or unknowingly are always affecting the business operations simultaneously in its life cycle. There are obvious reasons why a lively firm also tends to seek for stability, apart from its human incentives, in the domains of institutionalization, sustainable advantages, transactional and social costs, and uncertainty minimization (Leana and Barry, 2000):

- Certainly, an old school could argue that institutionalization concept is something associated with *Traditional Change* and has more backdrops for modern business. Yet, change cannot be a constant thing the same way evolution in nature cannot be a daily routine. A certain period of stability is imperatively required between changes to provide a firm the opportunity in breathing space and completely adopt the change effects, what Kotter calls to 'make it stick' and creates a cohesive framework of changes (Salling Pedersen and Bjorn-Andersen, 2011).
- The desirability of stability also rests economically on transitional and social costs, where security encourages business to invest in employees while in turn employees provide specific commitments in company's development, reducing volatile exposures to environmental uncertainties.

- The sustainable competitiveness is only achievable throughout a stable environment and accumulative interactions, which could be easily destroyed by constant changes and unpredictability. Leana and Rousseau (2000) devised that stability empowers rather than hinders changes, and this flexibility is unfeasible to sustain under routine uncertainties.

Cathay Change Experience

Reschke and Kraus (2009) depicted an evolution perspective of managing change and stability application through organization structure and culture, strategic innovation and resource dynamics, which the research will utilize to critically test the validity in the sense of Cathay's transformational needs and attainability. The authors presented an analogous debate of Gestalt Theory psychologically and evolutionarily in socioeconomic environment (Schlicht, 1997; Reschke, 2005, cited in Reschke and Kraus, 2009) that is linked to Lewin's (1951, cited in Reschke and Kraus, 2009) social field force interplay of balancing change and stability in organizational evolutions.

A company as Cathay is being observed in stable state of years before 2016, chaotic change durations through economic challenges since 2017 and 2020, then re-stabilization effort of business orders lately.

Obviously, Cathay's 2020 restructuring had failed right after its ill-planned 3-year transformation since 2019. A follow-through change, if designed or executed well, should have the ability to quickly sustain change impact and regain stability. Instead, this event had brought more trouble than success in reorganizing the airline.

The fundamental flaws are hidden inside its effective organizational structure change, maintaining a Mintzberg (1989) bureaucratic machine. Sadly, the transformation itself kept 'stably' many of the "traditions" the airline was not willing to rid of yet: "House Staff" and "Swire Prince" represents top management rotations only within the Swire elites (Freed, 2017); an unnecessary 'stability' cripples any future sustainability.

Resource dynamics with employees and unions are notorious in the recent years. Kao (2019) conveyed the general frustration from Cathay employees and unions of intimidating employees directly during restructuring (Lee, 2020a; Lee, 2020b). Much obliged to its

mistrusted corporate culture and colonial managerial style, HKSAR government was required to step in, expressing deep concerns of Cathay's handling (GovHK, 2020).

Upon rivals are gearing for a full spectrum of digital journey to innovate operations and customer experience in more advanced AI/AR technologies, Cathay has misused resources on antiquated and primitive digital initiatives. Even all these were engulfed by its 2018 cyber hacking incident demonstrated its incompetence in technology management.

Whilst most of the researches advocate concurrent change and stability parallels, which provides nowadays companies operated under complex ecosystems the opportunity to balance and gain foothold of changes evolutionarily, Cathay had completely missed prospect to benefit these change windows in reshaping its organization agility and reduce further uncertainty within – a total failure of desirable stability that is attainable.

3.3 Organizational Change Benefits and Exceptional Events in Change

The airline evolution in today's perplexing business environment is based on the determination and ability to adapt into evolving supply and demand conditions, technology advancement and emergent strategic adjustments, which change management has to provide to it. Effectively grasp change opportunities and manage the Red Queen race progressively is the key to sustain (Dorfus et al.).

Beneficial

Paton and McCalman (2008) coincided with McKinsey 7S model and divided change spectrum into hard and soft spectrums for easy impact analysis, which Worley and Mohrman (2014) could summarize the change benefits into four dynamic areas:

- Organizational structure shaping that could be more vigilant in combating pace of changing environment
- Culture and people that could be opposite to what businesses traditionally believe for complex coordination but rather self-autonomous units to increase manoeuvrability
- Strategies and processes that are resource-based and hard-to-duplicate among rivalries
- Change vision and value that are comprehensive enough for tracking and fine-tuning.

Through Twomey's (2006) specific research on airline sustainability, it also clearly emphasized the benefits of agility and uniqueness of governing strategies, amenable organization design with trust, humble leadership a catalyst of discipline in people and faith.

Cathay could have achieved all these benefits during its previous 3-year transformation and restructuring under COVID:

- Structurally, the office organization could have been re-designed to be lean and agile enough, facing exact unknowns during COVID. The organization is so bulky in 2020 even larger than 2018 when airline is profitable (See Appendix A).
- Culturally and resource-wise, the management team could have had the resolves to fundamentally change the archaic and colonial mentality, rather than only focusing on general staff that could worsen its trust relationship and insisting sternly Swire Prince Rotations.
- Toh (2018) pointed out its unornate change objective was for the sake of change only focusing on systems, while senior leadership was just a ghost figure without charisma to lead the revolutions.
- Cathay determined to be innovative strategically with 2019 acquisition of LCC HK Express that requires yielding changes (Pearson, Pitfield and Ryley, 2015), nevertheless the organization personality and structure are just not benefiting from it yet.

Again, it just demonstrates the importance of simultaneous change and stability equilibrium that could equip Cathay beneficially to agilely continuing its improvement maturely from 2019 to 2020 in a nature reflex, facing pandemic unknowns.

Exceptional

Greiner (1972) versioned that business evolution couldn't spark less than four years, when revolution should happen in a shorter interval. This research doesn't completely agree to simply use timeline judging radical changes versus incremental. On the contrary, Cathay's forced 2020 restructuring surfaced so fast before 2019 transformation could produce full-fruitful results, but then one cannot even call it a revolution either.

Jarvenpaa and Stoddard (1998) rightly expressed the characteristics of radical change that is a punctuated paradigm (Gersick, 1991; Tushman and Romanelli, 1985, cited in Jarvenpaa and Stoddard, 1998) to be interposed between frequencies of incremental evolutions and to impact deepest foundations of an organization. This type of change must be led by visionary top management and shouldn't be elected casually unless radical environmental force is present endangering organizational survival. Collins and Hill (1998) reiterated a combined radical and incremental approach to complement each, where revolution needs much more careful preparation ahead.

Regardless, thorough incremental changes render the benefits of planned readiness of mind-set and skills, adaptability of structure, inclusiveness of culture and values, engagement of leaders and employees, flexibility of strategies and processes, transparency of change visions to face emergent changes and reflex for radical reengineering.

3.4 Leadership and Collaboration

Freed (2017) presciently identified some of the fundamentals that challenged Cathay managerially and culturally. The 70-year old company is full of heritages but also imbued with colonial routines and archaic management mind-set, unwilling to face changes. The only goal Cathay aiming for is to maximize shareholder wealth (Cathay Pacific, 2020), unfortunately not its employees or organization as a whole.

Gill (2002) advocated intriguingly that the leadership for change throughout the change process, at which a strong yet humble leader has the ability to possess dimensions in intellect, spirit and emotion, and behaviour. This is someone who has a clear change vision to inspire employees, embraces shared culture and values to support common purposes, entails effective business strategies to guide coalitions, empowers teams to innovate while working collectively.

Leaders understand clearly where the most energy should be put in use to deal with the emergent resistance pre-emptively. Both Beckhard (1969) and Beer (1980) created their version of change equation to help estimate change burdens, where the effects are similar but a combined approach in Figure 4 could be more effective to deliver full transparency to the change teams with a clear vision and a holistic course for trust building.

Michael Beer Equation

$$D \times M \times P > C$$

D = Dissatisfaction
M = Model
P = Planned Process
C = Change Cost

Richard Beckhard Formula

$$D \times V \times F > R$$

D = Dissatisfaction
V = Vision
F = First Concrete Step
R = Resistance

Combined Formula

$$D \times V \times P > R$$

D = Dissatisfaction
V = Vision
P = Planned Process
R = Resistance

Figure 4 Change Burden Calculation
Source: Constructed by Author

Analogically speaking, this is to invent a vaccine and disease control runbook that are able to restraint virus in evolution from spreading or containing fast enough before further damages done.

Looking at Cathay’s change events, this was exactly what was required for success but was missing; and could have engaged teams spiritually for collective accomplishments but failed without a leading ingredient (Burack, 1999) and a sense of emergency control.

3.5 Models

In light of Cathay’s prior transformation experience, a nexus of McKinsey 7S and Kotter’s emergent change (Figure 5) to govern both external and internal challenges is deployed, which could also achieve a balance of simultaneous change and stability.

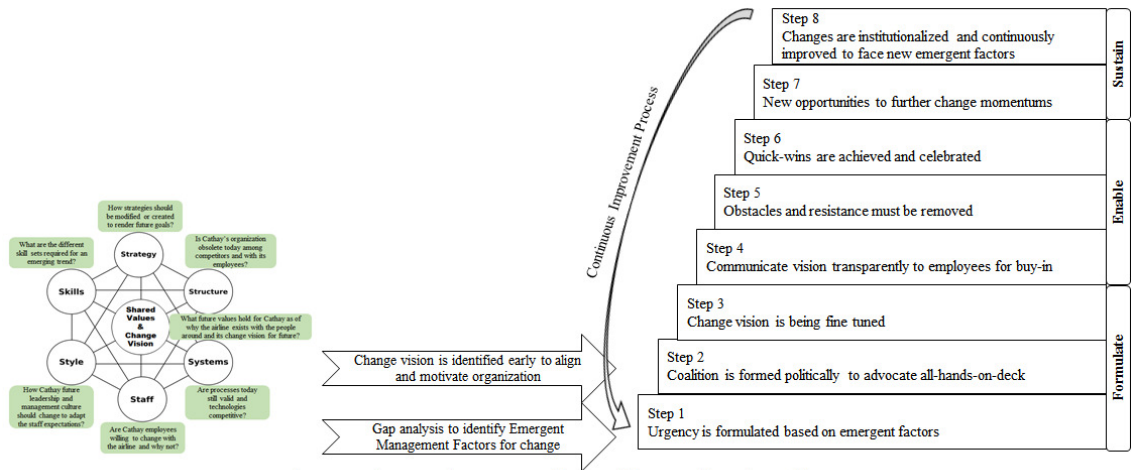


Figure 5 McKinsey 7S and Kotter's 8-Step Change Models Proposed for Cathay Pacific
Source: Constructed by Author

Although McKinsey 7S is sometimes being criticized for focusing simply of internal challenges and lack of attention to external forces, Corral (2008) argued it's a seamless frame to probe firm's strategies and implication amid the elements, what a business operates from and constantly overlooked once becoming a routine (Hamdo, 2021). Ideally, Lewin's force approach could be included to extend the congenital deficiency.

When organization requires staying competitive and dealing with unceasing external changes, Kotter (2012) emphasized full participation to face emergent changes. The model dissimilarity between Kotter's and Lewin's is the stress on vision and coalition (Dipnarine, 2016). Yet, Venkateswaran (2014) disputed that Kotter's model couldn't supply change vision quick enough upon 1st Step, when consent is required utmost to complement urgency. McKinsey 7S' pretext could well address this gap to equip urgency with shared value and change vision recognition early.

While Kotter's model provides organization vibrancies that stimulate change participations, it still comprises a backdrop in top-down modus that vision is manufactured from the top (Galli, 2018). Employees tend to forest where their expectancies realize; thus a larger commitment in unswerving contribution to fulfil the common believes of vision through leaders.

Ratsch, Sewell and Pennington (2019) well commemorated the success of interspersed approach of McKinsey 7S and Kotter's models, but further enhancements were definitely sought for.

4. Conclusion and Recommendations

Organizational evolution is to adapt change and sustain organically with people as part of the equation to search for makeshift stability, while revolution takes organization a step deeper in transforming the fundamentals and recuperating competitiveness.

4.1 Conclusion

The research has 1) determined unmistakably change domains that stability and change could be supplementary in parallel, providing planned agility ahead of future uncertainty 2) identified incremental changes, rather than radical, could deliver a more appropriate cadence for organization to reflex unpredictability 3) pinpointed the importance of leadership charisma and spiritual collaboration, along with resistance minimization 4) characterized change model efficiencies that further improvements could be enhanced.

4.2 Recommendations

Under current challenging environment and previous ill-managed transformation, the study proposes Cathay to improve in:

- Revolutionizing cultural change, building trust between management and employees with simplified organizational layers – a solid foundation for change
- Balance and continuity of change and sustainability strategies, where stability could be always achieved to breath and prepare for unpredictability
- Charismatic leadership and change agent(s) are the keys to encourage change collaboration and reduce calculated resistance, especially with unions
- Being flexible with change models that customized improvements could be assessed to fit Cathay demands, rather than adhering to ‘orthodox’
- SMART plan that is a must to guide the change streams and manage milestones of

Figure 6

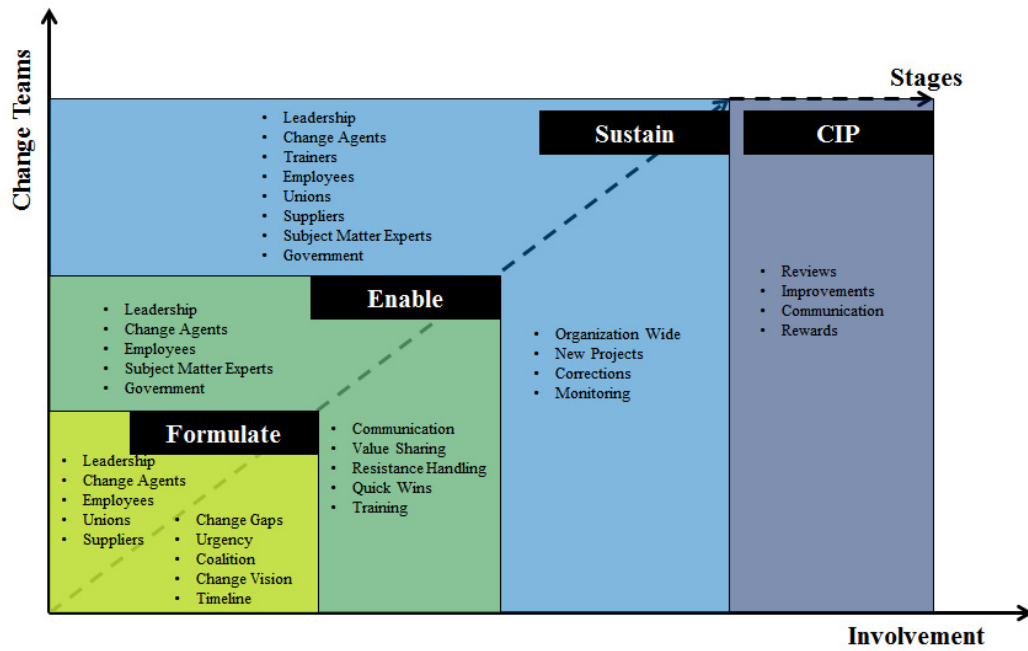


Figure 6 SMART Plan Assembly
Source: Constructed by Author

Reference

- Armenakis, A. A., Harris, S. G., and Mossholder, K. W. (1993) 'Creating Readiness for Organizational Change', *Human Relations*, 46(6), pp. 681–703. DOI: 10.1177/001872679304600601
- Beckhard, R. (1969), *Organization Development: Strategies and Models*. Reading, Massachusetts: Addison-Wesley.
- Beer, M. (1980) *Organization Change and Development*. Glenview, Illinois: Scott, Foresman & Corporation.
- Burack, E. H. (1999) 'Spirituality in the workplace', *Journal of Organizational Change Management*, 12(4), pp. 280–292. DOI: 10.1108/09534819910282126
- Cathay Pacific (2016) *Annual Report 2016*. Available at:
https://www.cathaypacific.com/content/dam/cx/about-us/investor-relations/interim-annual-reports/en/CX16_Final_en.pdf (Accessed: 26 February 2022).
- Cathay Pacific (2017) *Annual Report 2017*. Available at:
https://www.cathaypacific.com/content/dam/cx/about-us/investor-relations/interim-annual-reports/en/2017_annual_report_en.pdf (Accessed: 26 February 2022).
- Cathay Pacific (2018) *Annual Report 2018*. Available at:
https://www.cathaypacific.com/content/dam/cx/about-us/investor-relations/interim-annual-reports/en/2018_annual_report_en.pdf (Accessed: 26 February 2022).
- Cathay Pacific (2019) *Annual Report 2019*. Available at:
https://www.cathaypacific.com/content/dam/cx/about-us/investor-relations/interim-annual-reports/en/annual_report_2019_eng.pdf (Accessed: 26 February 2022).
- Cathay Pacific (2020) *Annual Report 2020*. Available at:
https://www.cathaypacific.com/content/dam/cx/about-us/investor-relations/interim-annual-reports/en/2020_cx_annual_report_en.pdf (Accessed: 26 February 2022).

- Cathay Pacific (2021) *Interim Report 2021*. Available at:
https://www.cathaypacific.com/content/dam/cx/about-us/investor-relations/interim-annual-reports/en/2021_cx_interim_report_en.pdf (Accessed: 26 February 2022).
- Cathay Pacific (2022) *History*. Available at:
https://www.cathaypacific.com/cx/en_HK/about-us/about-our-airline/history.html
 (Accessed: 1 March 2022).
- Chak, S.C. (2020) ‘Cathay Dragon: why is a truly Hong Kong brand being sacrificed?’, *South China Morning Post*, 2 November. Available at:
<https://www.scmp.com/comment/letters/article/3107655/cathay-dragon-why-truly-hong-kong-brand-being-sacrificed> (Accessed: 1 March 2022).
- Collins, L. K. and Hill, F. M. (1998) ‘Leveraging organizational transformation through incremental and radical approaches to change: Three case studies’, *Total Quality Management*, 9(4-5), pp. 30–34. DOI: 10.1080/0954412988505.
- Companies Registry, The Government of the Hong Kong Special Administrative Region (2022) *Obligations of a Company*. Available at:
<https://www.cr.gov.hk/en/compliance/obligations.htm#:~:text=Obligations%20of%20a%20Company,and%20separate%20from%20its%20owners> (Accessed 21 March 2022).
- Corrall, S. (2008) ‘Information literacy strategy development in higher education: An exploratory study’, *International Journal of Information Management*, 28(1), pp. 26–37, February. DOI:10.1016/j.ijinfomgt.2007.07.002.
- Derfus, P. J. et al. (2008). ‘The Red Queen Effect: Competitive Actions And Firm Performance’, *Academy of Management Journal*, 51(1), pp. 61–80. DOI: 10.5465/amj.2008.30708624.
- Dipnarine, P. (2016) *AN ANALYSIS OF STRATEGIC CHANGE MANAGEMENT RELATIVE TO C.S.R*, January. DOI: 10.13140/RG.2.1.2724.7762.

- Freed, J. (2017) 'As Cathay Pacific wields jobs axe, 'Swire prince' culture survives', *Reuters*, 6 December. Available at: <https://www.reuters.com/article/uk-cathay-pacific-strategy-analysis-idUKKBN1DZ391> (Accessed: 2 March 2022).
- Freeman, M. and Robinson, R. E. (1990) 'The development within: An alternative approach to the study of lives', *New Ideas in Psychology*, 8(1), pp. 53–72. DOI: 10.1016/0732-118x(90)90026-x.
- Galli, B.J. (2018) 'Change Management Models: A Comparative Analysis and Concerns', *IEEE Engineering Management Review*, 46(3), pp. 124–132. DOI: 10.1109/emr.2018.2866860.
- Gill, R. (2002) 'Change management--or change leadership?', *Journal of Change Management*, 3(4), pp. 307–318. DOI: 10.1080/714023845.
- GovHK (2020) *Labour Department's response to media enquiries on Cathay Pacific Group's restructuring*, 21 October. Available at: <https://www.info.gov.hk/gia/general/202010/21/P2020102100504.htm> (Accessed: 26 February 2022).
- Graetz, F. and Smith, A.C.T. (2010) 'Managing Organizational Change: A Philosophies of Change Approach', *Journal of Change Management*, 10(2), pp. 135–154, June. DOI: 10.1080/14697011003795602.
- Greiner, L.E. (1972) 'Evolution and Revolution as Organizations Grow', *Harvard Business Review*, 50(4). Available at: <https://ils.unc.edu/daniel/131/cc04/Greiner.pdf> (Accessed 22 March 2022).
- Hamdo, S.S. (2021) *Change Management Models: A Comparative Review*, April. DOI: 10.13140/RG.2.2.24741.01764.
- ICAO (2022) *Economic Impacts of COVID-19 on Civil Aviation*. Available at: <https://www.icao.int/sustainability/Pages/Economic-Impacts-of-COVID-19.aspx> (Accessed: 28 February 2022).

- ICAO (2021) *Economic impact -Air carriers*. Available at:
<https://www.icao.int/sustainability/Pages/COVID-19-Air-Traffic-Dashboard.aspx>
 (Accessed: 28 February 2022).
- Ilyin, S.Yu. et al. (2021) ‘Stability of management of the organizations in the modern economic environment conditions’, *E3S Web of Conferences*, vol. 291, 19 July. DOI: 10.1051/e3sconf/202129108001.
- Jarvenpaa, S. L. and Stoddard, D. B. (1998) ‘Business process redesign: Radical and evolutionary change’, *Journal of Business Research*, 41(1), pp. 15–27. DOI: 10.1016/s0148-2963(97)00008-8.
- Junnaid, M.H. et al. (2020) ‘LEADERSHIP AND ORGANIZATIONAL CHANGE MANAGEMENT IN UNPREDICTABLE SITUATIONS IN RESPONDING TO COVID-19 PANDEMIC’, *International Transaction Journal of Engineering, Management, & Applied Sciences & Technologies*. Available at:
<https://tuengr.com/V11B/11A16M.pdf> (Accessed: 1 March 2022).
- Kao, Z. (2019) ‘Cathay Pacific threatens to fire employees participating in strike next week’, *Taiwan News*, 30 August. Available at:
<https://www.taiwannews.com.tw/en/news/3769596> (Accessed: 4 March 2022).
- Kotter, J.P. (2012) *Leading Change*. Boston: Harvard Business Review Press.
- Leana, C. R. and Barry, B. (2000) ‘Stability and Change as Simultaneous Experiences in Organizational Life’, *Academy of Management Review*, 25(4), pp. 753–759. DOI: 10.5465/amr.2000.3707707
- Lee, D. (2020a) ‘Hong Kong pilots’ union demands bigger role in Cathay Pacific talks amid looming job cuts, end of carrier’s recognition of staff body’, *South China Morning Post*, 30 September. Available at: <https://www.scmp.com/news/hong-kong/transport/article/3103556/hong-kong-pilots-union-demands-bigger-role-cathay-pacific> (Accessed: 4 March 2022).

- Lee, D. (2020b) ‘Cathay Pacific snubs union over pay talks and says it will contact staff directly, in move flight attendants’ group calls ‘greatest setback’ in a decade’, *South China Morning Post*, 27 November. Available at: <https://www.scmp.com/news/hong-kong/transport/article/3111621/cathay-pacific-snubs-union-over-pay-talks-and-says-it-will> (Accessed: 4 March 2022).
- Low, Z. and Magramo, K. (2020) ‘‘Like we’ve lost a home’: Cathay Dragon employees surprised, shaken by decision to axe Hong Kong airline’, *South China Morning Post*, 21 October. Available at: <https://www.scmp.com/news/hong-kong/society/article/3106533/weve-lost-home-cathay-dragon-employees-surprised-shaken?module=inline&pgtype=article> (Accessed: 1 March 2022).
- Mintzberg, H. (1989) *Inside Our Strange World of Organizations*. New York: The Free Press.
- Paton, R.A. and McCalman, J. (2008) *Change Management – A Guide to Effective Implementation*. 3rd Ed. London: Sage Publications Ltd.
- Pearson, J., Pitfield, D. and Ryley, T. (2015) ‘Intangible resources of competitive advantage: Analysis of 49 Asian airlines across three business models’, *Journal of Air Transport Management*, vol. 47, pp. 179–189. DOI: 10.1016/j.jairtraman.2015.06.002.
- Ratsch, A., Sewell, F., and Pennington, A. (2019) ‘Developing and testing a matrix to achieve ready-everyday nursing standards (RENS): an observational study protocol’, *BMJ Open*, 9(8), August. DOI: 10.1136/bmjopen-2019-031499.
- Reschke, C. H. and Kraus, S. (2009) ‘An Evolutionary Perspective on the Management of Stability and Change’, *Evolutionary and Institutional Economics Review*, 5(2), pp. 259–278. DOI: 10.14441/eier.5.259
- Salling Pedersen, A. and Bjorn-Andersen, N. (2011) ‘Towards a framework for understanding adoption, implementation and institutionalization of ITIL’, *Proceedings of IRIS*, pp. 601-639. Available at: <https://research->

api.cbs.dk/ws/files/58900383/Allan_Salling_Pedersen_NBAndersen.pdf (Accessed: 21 March 2022).

Staw, B. M. and Ross, J. (1985) 'Stability in the midst of change: A dispositional approach to job attitudes', *Journal of Applied Psychology*, 70(3), pp. 469–480. DOI: 10.1037/0021-9010.70.3.469.

Toh, M. (2018) 'INTERVIEW: Rupert Hogg, chief executive, Cathay Pacific', *Flight Global*, 16 July. Available at: <https://www.flightglobal.com/fleets/interview-rupert-hogg-chief-executive-cathay-pacific/128398.article> (Accessed: 21 March 2022).

Twomey, D. (2006) 'Designed emergence as a path to enterprise sustainability', *Emergence: Complexity and Organization*, 30 September. DOI: 10.emerg/10.17357.868b8c49394d953297106ecab2bc5e87.

Venkateswaran, D. (2014) 'A CRITIQUE OF KOTTER'S 8 STEP MODEL FOR LEADING CHANGE', *Word Press*, 19 May. Available at: <https://dineshvenk.wordpress.com/2014/05/19/kotter-critique-part-1/> (Accessed: 5 March 2022).

Worley, C. G. and Mohrman, S. A. (2014) 'Is change management obsolete?', *Organizational Dynamics*, 43(3), pp. 214–224. DOI: 10.1016/j.orgdyn.2014.08.008

Appendix A

Table 1 Cathay Pacific Business Performance 2016-2020

		2020	2019	2018	2017	2016
Business Operations						
Employee	Flight	3,210	4,101	3,967	3,930	3,894
	Cabin	7,936	13,234	12,726	12,312	12,217
	Ground	8,306	10,007	9,930	9,787	10,563
	Office	6,148	6,858	5,777	6,671	7,126
		32%	25%	22%	26%	27%
Fleet		239	236	212	208	202
Destination		255	255	232	200	182
Financials						
Revenue (HK\$M)		46,934	106,973	111,060	97,284	92,751
Operating Cost (HK\$M)		(58,639)	(103,646)	(107,465)	(99,563)	(93,276)
Profit (HK\$M)		(21,647)	1,691	2,777	(888)	(274)
Profit Margin (%)		(46.1)	1.6	2.1	(1.3)	(0.6)
ATK per HK\$'000 Staff Cost (unit)		1,074	1,879	1,801	1,775	1,730
Stock 293 Year-End (HK\$)		7.2	11.5	11.1	12.1	10.2

Source: Constructed by Author, Data extracted from Annual Report (2016; 2017; 2018; 2019; 2020)