

LEVEL 7 ASSESSMENT SPECIFICATION

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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.		

Applying the 3-H framework to review the launch of new businesses in the private China primary healthcare sector – the case of UMP Healthcare China and UMP Healthcare Group

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Abstract

In the sea of vast amount of management theories that have been developed over the past few decades, there is an increasing need for a greater common denominator to help managers to adopt a more holistic and coordinated approach to organisation management. In the 3-H framework, Yu proposed a simple but power metaphor that for an organisation to effectively and efficiently manage its team to achieve their vision, the whole organisation should aspire to have the Hearts, Heads and Hands of the organisation be aligned as much as possible, and where the perfect alignment would represent an organisation consisting of employees who are committed and capable of managing the right thing. There have been various other articles and theories that also discuss in similar terms the importance of alignment, including (i) articles and journals that are focused on what qualities a leader should have in order to lead or to instil changes to an organisation, (ii) articles that focus on analysing how organisations should analyse their markets and devise approach strategies and (iii) articles that focus on the employees' core competence development.

These articles all cover certain elements of Heart, Head and Hand, but most do not cover the alignment in as systematic and holistic of an approach as the 3-H framework. To put the 3-H framework into test, the author retrospectively applied the 3-H framework to two recently launched business projects at UMP China and UMP Group, a healthcare maintenance organisation that operates across Hong Kong and China (UMP Group is a listed company on the Hong Kong Stock Exchange).

The two projects have been a success thus far since their launch in February 2018. The author concluded that due to the simplicity of the 3-H framework in its metaphor, the author had in effect applied the 3-H framework, *in its substance*, to most employees across UMP China and UMP Group. The author also suggested potential area for research to focus on how senior management and the human resources department of an organisation could work together to maximise the chances for success in implementing the 3-H framework.

Keywords

3-H framework, heart, head, hand, motivation, organisation alignment, primary healthcare in China

The 3-H framework

The 3-H framework (Yu, 2019), being the metaphoric analogy with the Hear, Head and Hand, has been proposed by Yu (Yu, 2019) as a holistic way to address management issues in general. Yu proposed that with the implementation of 3-H framework, senior management could effectively, systematically and comprehensively design, and hence efficiently implement, their corporate strategies, practices and plans.

The 3-H framework outlines the important interdependence of the Heart, Head and Hand elements for effective and efficient management. The 3-H framework also provides a list of questions for management to assess the 3-H functionalities in their organisations, as well as proposing a list of key success factors for the implementation of the 3-H framework.

As compared to the application of other well researched strategic management theories (for example, theories on motivation, organisational culture and competitive strategy), Yu is not proposing a new set of management theories, but rather, Yu is proposing an overall *framework* for managers to systematically categorize the large number of management theories into an easy to understand 3-H framework. It is proposed that with an easy to understand framework, managers would be able to achieve effective and efficient outcome *as compared to* applying different categories of management theories on a standalone, or on a relatively non-systematic basis.

Purpose of this research

The 3-H framework is a new contemporary management framework only recently proposed by Yu in June 2019. The 3-H framework therefore requires the testing of the theory to (i) unreported on-going case studies, which would contribute to the assessment and monitoring of the framework's application to such case studies over time, and (ii) retrospectively applying the 3-H framework to other published case studies via conducting interviews with the relevant managers to seek their

opinion on whether or not the 3-H framework *would, in their views, have been* an effective framework to assist them on the relevant business objectives.

Research interest

Given the large number of management theories already published, it is necessary to assess whether the 3-H framework further advance management theories beyond other established management framework. Does 3-H provides a *more* effective, systematic and comprehensive framework for management? How do we assess the “more” element of such framework? Such *relative* comparison would require conducting interviews with management teams and asking them to theorise and think back to their past (with the benefit but also the prejudice of hindsight) whether or not the 3-H framework *would have* assisted them better in their past management decisions.

This assessment provides an opportunity, in the form of a case study, to assess the application of the 3-H framework to (i) a recently launched for-profit vocational education programme for primary care doctors in China, known as the General Practice Oriented Learning and Development Programme (the “GOLD” programme – www.goldgptraining.com) and (ii) the launch of a new Public-Private-Partnership outpatient clinic model in China (the “PPP clinic model”).

The author of this assessment serves as a board director of UMP Healthcare China Limited (“UMP China”) and is in charge of the organisation’s overall corporate development and strategy, including the launch of the GOLD programme and the PPP clinic model. The GOLD programme is a new business unit within UMP China, a health management organisation focused on the primary healthcare industry in China.

Given the business unit was only launched in February 2018, the author of this assessment is at an appropriate management seniority position, within the organisation, to critically reflect, retrospectively, whether the launch of the GOLD programme could be *more* effectively analysed within the 3-H framework as compared to other strategic management theories. In addition, the author

shall also express his views in the conclusion session on how the 3-H framework could be applied to the future roll out of the GOLD training programme and PPP clinics.

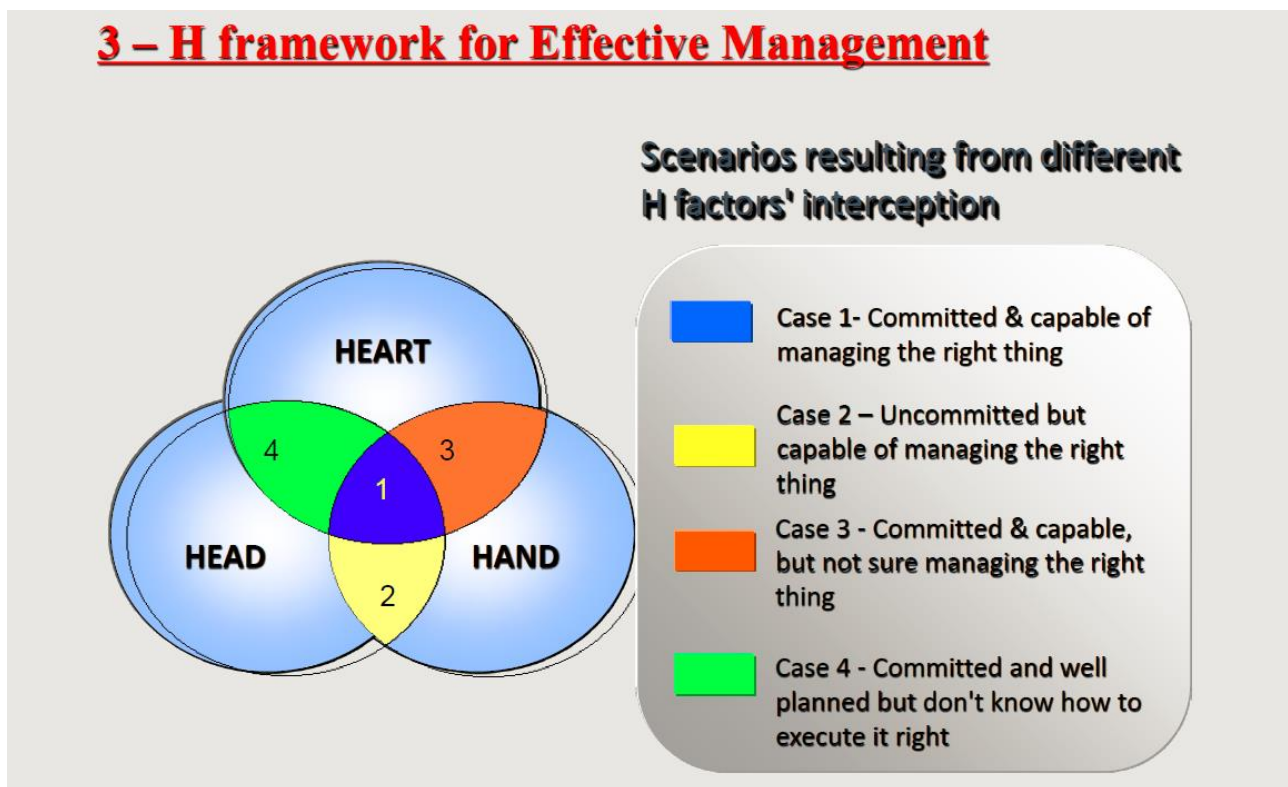
Organisation of this assessment

This assessment is organised into the following sections:

1. Literature review of elements within the 3-H framework, the 3-H framework as compared to other core management theories, as well as the application of case study as a research methodology
2. Overview of the China primary healthcare market and UMP China, which would explain, from the author's perspective, the significant implications and business prospects of the GOLD programme and the PPP clinic
3. Application of the 3-H framework to UMP China
4. Recommendations for future research

The 3-H Framework

Yu argues that “management as a subject is like the Amazon Jungle” (Yu, 2019). He proposes that the 3-H framework can be used as a guidance for management team. Under the Heart, Head and Hand framework, Yu argues that, through the lens of the 3-H framework, the most effective kind of management can be achieved at the interception point of such three elements, being case 1, as per the chart below:



Reference: (Yu, 2019, p. 26)

Yu uses the 3-H framework to categorise various established management approaches and theories, a summary of which is set out below:

H1 **Heart**-related literature:

- Motivation, leadership, management of change, values and organisational culture, cross-cultural management, communication, groups and teams.

H2 **Head**-related literature:

- Strategic management, resource-based view, balanced scorecard, strategy map, value chain, competitive strategy, competitor and industry analysis.

H3 **Hand**-related literature:

- Competence, functional strategy and practice, e.g., marketing mix, HRM, operations, technologies.

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Reference: (Yu, 2019, p. 21)

Given the broad nature of the related literatures under Heart, Head and hand, a critique of each of these related principles to demonstrate the author's understanding of each would be outside of the scope and purpose of this assignment. The author believes a more meaningful approach is to reflect on whether or not (i) the 3-H framework is a unique, the first of its kind framework/mindset in that no similar holistic approaches to management have been proposed before, or (ii) if there were other approaches before, where and how the 3-H framework could be analysed as being similar for analysing the case of UMP China.

Review of Heart, Head and Hand articles from Harvard Business Review

To assess point (i) and (ii) set out above and to determine the appropriate scope for literature review, the author has selected articles published by the Harvard Business Review ("HBR") that are broadly classified under each of the Heart, Head and Hand element. The HBR publishes what is called a "HBR's 10 must read" series, with articles being categorised into various broad disciplines.

While some articles inevitably may contain all of the 3-H elements, the author has organised such disciplines into the following matrix, with each book broadly classified *as being primarily focused on* a particular H element. An article is then chosen from the matrix for a more thorough review and analysis.

No.	HBR's 10 Must Reads On	Primarily focused on the Heart element	Primarily focused on the Head element	Primarily focused on the Hand element
1	Leadership	✓		
2	Strategy		✓	
3	Managing People	✓		
4	Managing Oneself			✓
5	Change Management			✓
6	Negotiation			✓
7	New Managers			✓
8	Reinventing HR			✓
9	Making Smart Decisions		✓	
10	Emotional Intelligence			✓
11	Mental Toughness			✓
12	Teams	✓		
13	Strategic Marketing		✓	
14	Communication	✓		
15	Managing Across Cultures		✓	
16	Collaboration	✓		
17	Leadership for Healthcare	✓		
18	Strategy for Healthcare		✓	
19	Innovation		✓	

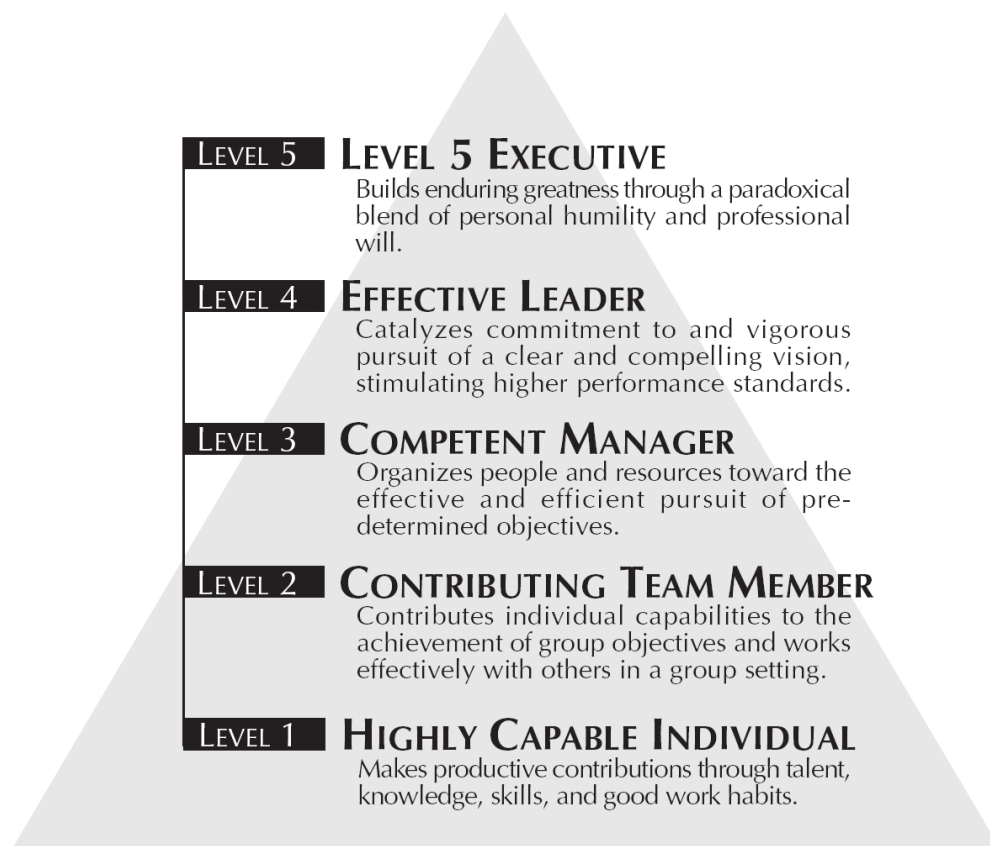
The author has chosen the following articles for review:

- i. *Heart related*: HBR's 10 Must Reads On Leadership (item 1 from table above) – Level 5 Leadership, The Triumph of Humility and Fierce Resolve by Jim Collins (Collins, 2001)
- ii. *Head related*: HBR's 10 Must Reads on Strategy (item 2 from table above) – Blue Ocean Strategy by W.Chan Kim and Renee Mauborgne (Kim & Mauborgne, 2004)

- iii. *Hand related:* HBR's 10 Must Reads on Change Management (item 5 from table above) – Change Through Persuasion by David A. Garvin and Michael A. Roberto (Garvin & Roberto, 2005)

Heart related

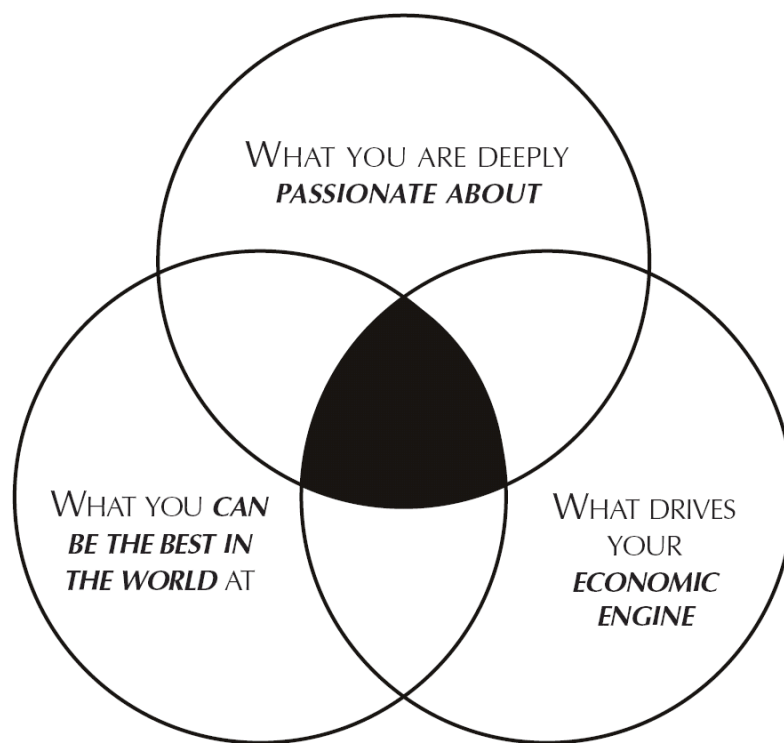
In Level 5 Leadership – the Triumph of Humility and Fierce Resolve, Collins (Collins, 2001) proposes that for companies to propel from good to great, one of the key commonly observed quality is for senior management team, or the CEO, to be performing with the qualities of a Level 5 Executive. Collins depicts the 5 different levels in his book in the form of a pyramid as copied below (Collins, 2009, p. 20):



LEVEL 5 HIERARCHY

Collins and his research team reviewed more than 1,435 Fortune 500 companies and categorised 11 companies had achieved and sustained greatness. Collins concluded that Level 5

Leaders combines deep personal humility with intense professional will (Collins, 2009, p. 21). In addition to assessing the leadership aspects of companies that had achieved the good to great status, Collins outlines in his book, and Collins repeated emphasise that his book was an empirical deductions from data and deducting theories from evidence (Collins, 2009, p. 10), one key concept that he outlined in his book was the Hedgehog Concept (Collins, 2009, p. 96). The Hedgehog Concept appears to share a similar analogy with the 3-H framework as it also depicts an analogy of analysing a great company as being at the intersecting focal point of three circles, being (i) what it can be the best at, (ii) how its economics work and (iii) what ignites its people's passions.



THREE CIRCLES OF THE HEDGEHOG CONCEPT

The author is of the view that The Hedgehog Concept proposed by Collins has broad similarity to the 3-H framework in that (i) “what you are deeply passionate about” can be seen as similar to the Heart element, (ii) “what drives your economic engine” can be seen as similar to the Head element, as this part of the analysis focuses on a company’s corporate strategies and a deep understanding and

analysis on the company's functions and competitive advantage in its defined industry and (iii) "what you can be the best in the world at" can be seen as similar to the Hand element, as it focuses on the company's competence and operational strengths and suggest eliminating other non-core functions.

Head Related

The Blue Ocean Strategy (Kim & Mauborgne, 2004) was first published by Kim and Mauborgne first published in 2004, which later led to the publication of the Blue Ocean Strategy Book in 2005 (Kim & Mauborgne, 2005), a revised and expanded version in 2014 (Kim & Mauborgne, 2014) and more recently, the publication of the Blue Ocean Shift (Kim & Mauborgne, 2017).

The Blue Ocean Strategy is a framework to assist managers in designing their corporate strategies to break away from competing in their existing industry. The purpose of this literature review is not to focus on the strengths or weaknesses of the Blue Ocean Strategy, but to focus on whether or not there are similarities between the Blue Ocean Strategy and the 3-H framework.

The Blue Ocean Strategy, and the subsequent publication Blue Ocean Shift, provide a set of frameworks to assist managers to design their business strategies. On surface, this would therefore fit squarely into the Head element of the 3-H framework. However, a further analysis of the Blue Ocean Strategy would review that Kim and Mauborgne also places significant emphasis on the Heart and Hand element as well.

Kim and Mauborgne were of the view that, for successful strategy to be implemented, it is crucial that senior management fully engages their employees in what is termed in the book as "fair process" (Kim & Mauborgne, 2005, p. 174), where the three elements of fair process includes engagement, explanation and expectation.

The author believes that the fair process captures similar elements with the 3-H framework. Kim & Mauborgne states that engagement, explanation and expectation are three crucial elements for successful implementation of strategies, as (i) engagement (similar to the Heart element) leads to

better strategic decisions by senior management, and employees would be more committed to execute such decisions, (ii) explanation (similar to the Head element) allows employees to trust senior management even if the employees' opinion were not reflected and (iii) expectation (similar to the Hand element) clarity leads to less political jockeying and allow rapid execution of strategy. This focus on fair process lead to an increase level of trust from employees to the senior management.

Notwithstanding the overall popularity of the Blue Ocean Strategy, Kim and Mauborgne (Kim & Mauborgne, 2005, p. 184) repeatedly emphasise that senior management must continue to inspire employees (i.e. the Heart element) to voluntary cooperate to execute new strategies. Kim and Mauborgne most recently elaborated on this further in Blue Ocean Shift (Kim & Mauborgne, 2017), where they specifically commented on the Heart element, that the “longer we thought, the more clearly we could see that there was something about the [fair] process that recognised people, acknowledging their fears, their insecurities, their need to be treated with dignity, their desire to matter. We struggled to figure out what word could capture this something and best describe it. The closest we could get was what we came to term *humanness*” (Kim & Mauborgne, 2017, p. 22). The struggle to find a word to describe such element is akin to the Heart element, where more often that actions inspired by the heart cannot be easily be put in words.

Hand related

In Change Through Persuasion (Garvin & Roberto, 2005), Garvin and Roberto used the example of the successful turnaround of Beth Israel Deaconess Medical Center (“BIDMC”) in Boston to describe the detailed internal policies and steps that the CEO, Paul Levy, took to implement changes in BIDMC. According to Garvin and Roberto, Paul Levy conducted a four-stage internal persuasion campaign which included (1) implanting a culture for change by convincing staff that BIDMC can only survive if radical changes were implemented, (2) explaining in detail the strategies and reasons for change, (3) acknowledging staff's emotions during change but focusing their effort on the stated outcome and (4) frequent monitoring to prevent staff reverting back to the previous

mindset. The article described the detailed steps taking by Paul Levy, a very much Hand description of what needs to happen within an organisation who wants to seek change to improve. As much as the article details the steps for implementing changes and strategies (i.e. a Hand approach as it mostly describes how to execute the strategies already developed by Paul Levy), coincidentally, Garvin and Roberto's concluding paragraph in the article was titled "Heads, Hearts and Hands", where they stated that for strategies to be implemented successfully, the employees involved must be emotionally committed to the strategy, be able to identify themselves with the organisations' corporate vision and values and believing that the organisation stands for purposes beyond profitability and market share.

Literature review summary

Based on the above selected review of certain articles from the HBR, there is already a recurring trend and recognition of the importance of the 3-H framework. Regardless of whether a stated management principle is broadly classified as Heart / Head / Hand related, it appears that for any of such single H element to succeed in implementation, the other 2 H elements must equally be present too.

China primary healthcare market

For all the positives of China's economic growth in the past few decades and the prosperity that such growth has brought to the majority of the Chinese population, the current status of the healthcare system in China is, by and large, an area in which most of the Chinese population are not content with (Wee, 2018). China's healthcare system is primarily based on specialists, is hospital based and is centered on the curing of diseases, with lack of attention on preventive and community care, and with most of the Chinese population believing that only hospitals have qualified doctors to deliver general medical care.

While China's GDP had grown at around 8.6% CAGR per annum (2013-2017)¹, healthcare expenditure in China has grown at a much faster pace of around 13.5% CAGR per annum (2013-2017)². Exacerbated by an ageing population and increasing prevalence of non-communicable chronic diseases such as diabetes and hypertension, the Chinese government has declared a national strategy to reform its healthcare system into one that is primary healthcare facilities based, with General Practitioners ("GPs", also known as family doctors in China) playing more significant roles in adopting a patient-centred approach to health and disease management³. Primary care facilities primarily include government managed urban community health centers (社区卫生服务中心) and clinics which provide general outpatient care, chronic disease management, immunisation services, health promotion and family planning services.

The Chinese government has announced that it plans to recruit, train and employ at least 3 family doctor for every 10,000 population across China by year 2020 (The State Council of the People's Republic of China, 2018).

¹ See section 3-1 "Gross Domestic Product" <http://www.stats.gov.cn/tjsj/ndsj/2018/indexeh.htm>

² See section 22-19 "total healthcare expenditure: <http://www.stats.gov.cn/tjsj/ndsj/2018/indexeh.htm>

³ See the PRC government news at <http://www.nhc.gov.cn/qjjys/s7937/201904/af2a67d86e8749a7b53ddfdde6f563e3.shtml>

However, there continues to be a lack of awareness by the general population in China about the roles and functionalities that can be performed by GPs, leading to Chinese patients generally choosing to seek medical care from hospitals (Liu, et al., 2018). Further, in the cross-sectional survey study conducted by Liu (Liu, et al., 2018), out of the 565 participants who participate in the survey responding to questions on their knowledge of GPs, although 67% of the respondents believe that GPs should handle Common and Frequently Occurring Diseases (“CFOD”), only 11.3% of the respondents rated the GP’s technical capability in solving CFOD as “good”, with 26.4% rated “poor” and 62.3% rated as “do not know”. The author believes that the general population’s lack of knowledge on GPs is a significant hurdle to the healthcare reform in China, yet at the same time, such significant hurdle also presents unexplored market opportunity for organisations who can offer solutions to resolve such problem.

UMP Healthcare China Limited

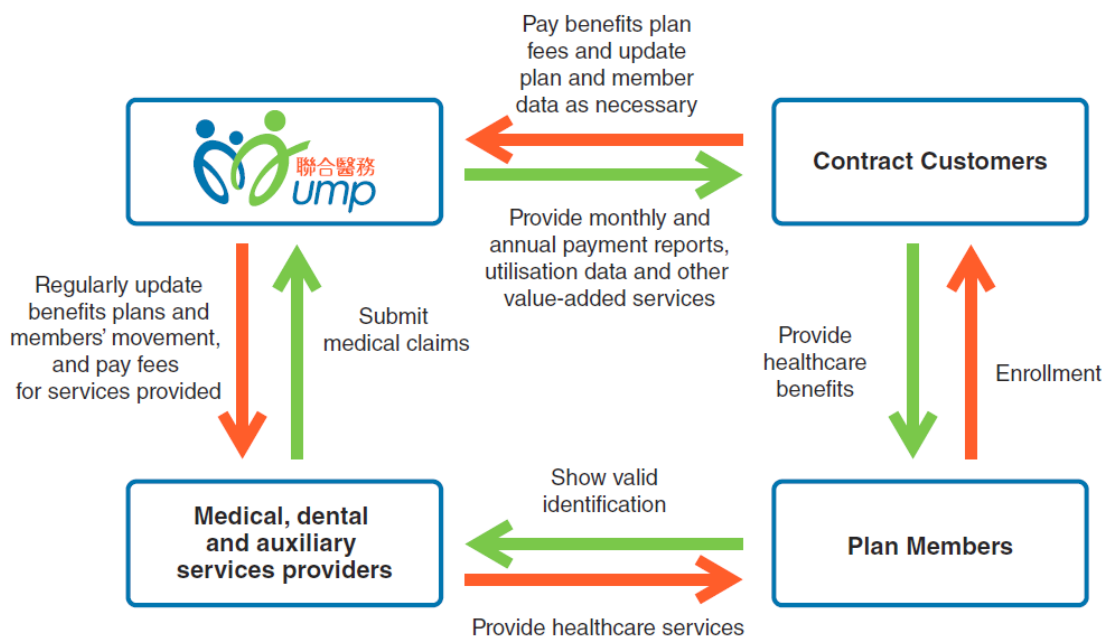
UMP Healthcare China Limited (“UMP China”) is a majority owned subsidiary of UMP Healthcare Holdings Limited (“UMP”), a listed company on the Hong Kong Stock Exchange (stock code 722:HK). The author serves as an Executive Director of UMP, and is in charge of UMP’s overall corporate development and strategy.

UMP was founded in Hong Kong in 1990. Through a network of over 600 doctors and points of services, UMP administers and delivers over 1.5 million outpatient visits annually across Hong Kong, Macau and China. UMP provides, designs and administers health management plans to employees of various corporations, as well as to insurance companies and insurance/health benefit brokers for them to bundle into their respective products and services⁴.

In 2014, UMP saw the market opportunity to expand further into China. As part of such expansion plan, UMP became a listed company in 2015, a crucial step in establishing UMP as a

⁴ Page 1 of UMP IPO Prospectus: <https://www1.hkexnews.hk/listedco/listconews/sehk/2015/1117/ltn20151117013.pdf>

trusted enterprise for conducting businesses in China (Chinese business partners generally would view a listed company from Hong Kong as having high corporate governance standards and having sufficient capital for business collaborations). UMP completed its initial public offering in November 2015, raising approximately HK\$333 million of net proceeds⁵ for its expansion into the health management business in China. A simplified chart of UMP's business model extracted from UMP's global offering prospectus is set out below:



Reference: UMP IPO Prospectus⁶

An overview of the current entry barrier for private outpatient care in China

The Chinese government has called for increasing investments and participation from private capital in the healthcare sector, with recent policies announcement encouraging corporations and doctors to open up their own private clinics. However, based on UMP China's experience between 2015 to 2018, although the Chinese government promotes and encourages private enterprises to establish private clinics⁷, there are generally insufficient doctors in the private sector for the development of a type of outpatient clinic network that is similar to what UMP has established in

⁵ https://www1.hkexnews.hk/listedco/listconews/sehk/2015/1126/00722_2457901/e102.pdf

⁶ Page 1 of UMP IPO Prospectus: <https://www1.hkexnews.hk/listedco/listconews/sehk/2015/1117/ltn20151117013.pdf>

⁷ See VC Beat Research Primary Healthcare Investment Report at www.vcbeat.net (动脉网：基层医疗投融资报告)

Hong Kong and Macau. The imbalance between supply of private clinics and qualified doctors meant that UMP China had to, on various occasions, pay above market price for qualified doctors to practice in clinics established by UMP China.

Further, the regulations for the setting up and the maintaining of private clinics in China are extensive. Organisations generally need to incur significant upfront capital investment to establish a clinic. As an illustration, organisations must first rent the premise for the proposed clinic before it can commence applying for the clinic license from the relevant government authorities. As relevant government authorities generally would take between 6-12 months to approve the opening of a clinic, this means that an organisation could potentially be required to pay rent for up to 12 months before it can commence operations. Once a clinic is established, in addition to the staff costs of doctors, regulations also require minimum operating area and minimum staff (including minimum number of nurses, pharmacists and laboratory technicians) in order for the clinic license to be maintained.

Due to the high cost basis for providing private clinical services in China, based on the internal non-public data research by UMP China, private clinics generally charge a comparatively higher average consultation price of around RMB400-800, with some international clinics charging as high as RMB1,500 to RMB2,000 for general consultations. Such high price means that only the relatively affluent can afford to pay for such services, excluding a significant segment for customers who would be more willing to pay around RMB200-400 for private outpatient consultations, which is approximately the price range for general outpatient consultations in public. As a result, many private general outpatient clinics in China, including those established by UMP China, have continued to suffer from a lack of patients, operating at losses and with no clear path to profitability or having to work with partners who have significant financial resources for collaboration⁸.

⁸ Pg 9 of UMP Announcement <https://www1.hkexnews.hk/listedco/listconews/sehk/2016/1215/ltn20161215871.pdf>

Notwithstanding these entry barriers, there continues to be significant investors' interests in investing in private clinics⁹ due to the general discontent, throughout China, with the long queues for general outpatient services at government managed hospitals.

UMP China's expansion strategy – the success of the GOLD programme and PPP clinic expansion thus far

UMP China saw an inevitable market trend. UMP China believes that Chinese patients would eventually demand for better quality, more affordable and more accessible private outpatient care. However, faced with the intense competition in the market and unfavourable industry headwinds, UMP China decided to break away from competition and went “upstream” to create its own source of qualified doctors through training and accrediting such doctors to international standards under the GOLD programme¹⁰. The GOLD programme sets out what UMP China expects an outpatient doctor should possess in terms of clinical knowledge and clinical consultation skills.

Once the doctors reach UMP China's standards as set out in the GOLD programme, these doctors will then become accredited supplier to UMP China and shall be allowed to receive outpatient cases referred to them by UMP China. In addition to training, UMP China has also proposed to work with various governments, particularly in the Greater Bay Area, to launch various Public-Private-Partnership clinics within China (“PPP clinics”), a pioneer approach to both reducing the cost of clinical network expansion but also building a sustainable supply of doctors for business expansion¹¹.

The scale and geographical reach in which the GOLD programme and the PPP clinics have achieved since February 2018 have been positively praised by various regional governments in China¹².

⁹ See VC Beat Research Primary Healthcare Investment Report at www.vcbeat.net (动脉网：基层医疗投融资报告)

¹⁰ www.goldgptraining.com

¹¹ See the related news published at <https://www.goldgptraining.com/2-1>

¹² See the related news published at <https://www.goldgptraining.com/2-1>

Quantifying the success and the potential of the GOLD programme and PPP clinic expansion

The GOLD programme was first launched in February 2018, enrolling 11 doctors from the Pan Yu government, Guangzhou province. The GOLD programme initially charges only RMB20,000 per enrolled doctor. As at 30 June 2019, the GOLD programme has now expanded to cover approximately 100 doctors across the Greater Bay Area and various locations across China. The latest contract price per enrolled doctor is now between RMB40,000 to RMB50,000, a significant increase as compared to the pricing in February 2018. The number of PPP clinics has also expanded from one site in 2018 to 22 built and contracted for building clinics as of June 30, 2019. As of June 30, 2019, the GOLD programme has cumulatively recorded revenue of approximately RMB3 million.

The GOLD programme and the PPP clinic expansion is only at its beginning. Based on government data, the potential of the GOLD programme and the PPP clinic expansion, in the Greater Bay Area alone, could potentially mean that more than 10,000 doctors and more than 2,000 clinics could consider adopting the PPP model (please refer to the slide below for further details). The author believes that there is significant growth potential for UMP China, but at the same time, the author believes that UMP China must formulate appropriate strategies to capture such significant market opportunity.



Overview of Healthcare industry in China Health Data Summary of GBA area (2017)

Item/City	Shen zhen	Guang zhou	Zhu hai	Fo Shan	Zhong shan	Dong guan	Hui zhou	Jiang men	Zhao qing	TOTAL
Total number of medical institutions	4,049	4,058	742	1,715	871	2,344	2,725	1,608	844	22,796
Hospitals	135	243	43	115	59	89	142	44	54	1,064
Clinics	2,515	1,415	297	869	327	1,356	929	512	525	12,445
Community Health Service Center	599	153	39	48	28	33	21	15	17	1,002
Community Health Service Station	6	172	102	324	238	363	57	8	14	1,284
Out patient and emergency patient (10000 patient - times)	9,960	15,256	1,678	8,245	3,700	6,482	4,531	3,883	2,735	58,375
Hospital Admission (10000 person)	151	300	30	126	62	92	61	74	47	1,163
Total number of doctors	31,838	46,529	5,875	18,134	8,115	16,680	12,582	9,859	7,151	171,053
Total medical expenses (RMB 100 million)	-	-	-	-	-	-	-	-	-	1,572
Gross Domestic Product (RMB 100 million)	22,490	21,503	2,565	9,550	3,450	7,582	3,831	2,690	2,201	99,762
Permanent population (10,000 people)	1,253	1,350	168	743	321	825	476	452	406	6,734
Number of general practitioners (unofficial)	2,488	5,036	313	590	430	1,667	1,038	679	-	12,241

7

Reference: (Lee, 2019, p. 7)

Application Of The 3-H Framework To UMP China

Based on interviews conducted with other board directors of UMP, the directors had primarily attributed such success to (i) excellent teamwork and (ii) being able to take advantage of the various GBA government policies¹³. However, the author is of the view that to attribute such success primarily to these two factors would have been too simple of an analysis. Such simple analysis also would not provide enough guidance to UMP China to capture future market opportunities. The author believes that it is worth applying the 3-H framework to assess whether and how UMP China and UMP Group can further improve its chances for success in the future.

Assessing UMP China and UMP's 3-H Functionality score

Yu has listed out the key success factors of implementing the 3-H framework as set out below (Yu, 2019, p. 92):

Key Success Factors of Implementing 3-H framework

1. Top management's genuine commitment and support to build a 3-H driven organisation.
2. A sound vision and strategic goals, which inspire employees and other key stakeholders.
3. A performance management system developed to evaluate and reward employee's performance, which supported 3-H framework for achieving strategic goals.
4. An effective communication and other buy-in strategies, which yield people's 'want to' and know 'how to' support the 3-H transformation.
5. A 3-H conducive culture became prevailing
6. Trust bonding between management and frontline staff
7. Effective alignment among 3-H driven strategy-structure-system-skill dimensions.

To support the assessment of these success factors, Yu (Yu, 2019, p. slide 91) provided a set of questions for organisations to assess their "3-H Functionality".

¹³ See the policies here https://www.bayarea.gov.hk/filemanager/en/share/pdf/Outline_Development_Plan.pdf

Yu however did not provide a scale for which such framework could be applied. To assess UMP China's 3-H Functionality, the author has decided to *reference* the Likert Scale (Likert, 1932) to assess the 3-H Functionality UMP China has been operating at. Please note that the author is well aware that the Likert Scale is generally not to be applied in such self-reflective approach, but short of explicit guidance for 3-H Functionality assessment, the author believes that the Likert Scale approach is simple to apply and also allows for other managers of UMP China and UMP Group to apply on a broader scale in the future.

As a reminder, UMP China is a majority owned subsidiary of UMP Group. The author is the general manager of the UMP China business and also serves as a director on the board of UMP Group. The author has answered the questionnaire twice, from the perspective of (a) being the general manager of the UMP China business (i.e. a self-assessment of the author's current management style as measured under the 3-H framework) and (b) of being a manager answerable to the UMP's board of directors (i.e. an assessment of the author's views of the level of adoption of the 3-H framework for the UMP Group as a whole). The author's responses are set out below:

The following is the author's response on his views of UMP China's adoption of the 3-H framework, together with the author's explanatory notes and comments set out in the last column, where applicable:

Item	UMP China Assessment	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)	Notes / Comments
1	Do you truly believe in and practise 3-H framework in managing your organisation?					✓	The author truly believes in the 3-H framework. However, the author is still exploring methods to practise the 3-H framework across the organisation
2	Does your organisation factor 3-H attributes into the HR (recruiting, selection, training & development) process?		✓				As UMP China is expanding rapidly, HR currently hires more on a needs basis approach and therefore the 3-H framework for HR is only sparingly applied to selected senior hiring only
3	Does the performance review process, especially the reward and promotion decisions, incorporate 3-H criteria?			✓			UMP China embraces certain element of the 3-H framework for performance review. In majority of the cases such decision is still very much based on a quantifiable target approach, with less focus on the "Heart" element
4	How often are the following adjectives usually used to describe a manager? For instance:						
	All or well-rounded				✓		
	Head – superior strategist			✓			
	Head – Analyst			✓			

Item	UMP China Assessment	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)	Notes / Comments
	Head – organiser			✓			
	Heart – compassionate			✓			
	Heart - empathetic			✓			
	Heart – caring			✓			
	Heart - motivational			✓			
	Heart – sensitive			✓			
	Heart – people-oriented				✓		
	Heart – high EQ leader			✓			
	Hand – outstanding executor					✓	
	Hand – doer					✓	
	Hand – facilitator				✓		
	Hand – controller					✓	
5	Has the 3-H perspective been woven into the organisation’s mission and other management policy statements, which were notably published and periodically distributed to employees through corporate newsletters?				✓		UMP China has been very vocal, both internally and externally, in promoting and educating on staff on its vision statement. The vision statement was most recently restated in UMP Group’s interim report ¹⁴ . Such vision statement has been officially incorporated into UMP China’s

¹⁴ See Pg 4 <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0325/ltm20190325846.pdf>

Item	UMP China Assessment	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)	Notes / Comments
							marketing materials and also email signatures
6	Have the purposes and significance of the 3-H perspective been preached and discussed in major corporate events such as strategic plan, annual management review meetings?			✓			Not yet. UMP China however has plans to host regular bi-annual in person off-sites to educate all staff on the company's 3-H elements, the first of which has been held recently in Zhuhai in July 2019
7	Does the corporate culture support the development of 3-H indoctrination in the organisation?			✓			Currently not, due to UMP having been around for more than 30 years and it is difficult to implement changes. However, UMP plans to use UMP China as testing ground to implement changes for the whole UMP Group

Total score: $(5*4) + (4*4) + (3*12) + (2*1) + (1*0) = 74$ out of a maximum score of 105.

The following is the author's response on his views on the adoption of the 3-H framework on UMP Group.

Item	UMP China Assessment	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)	Notes / Comments
1	Does your CEO and other key top management truly believe in and practise 3-H framework in managing their organisations?			✓			
2	Does your organisation factor 3-H attributes into the HR (recruiting, selection, training & development) process?	✓					
3	Does the performance review process, especially the reward and promotion decisions, incorporate 3-H criteria?		✓				
4	How often are the following adjectives usually used to describe a manager? For instance:						
	All or well-rounded				✓		
	Head – superior strategist			✓			
	Head – Analyst			✓			
	Head – organiser			✓			
	Heart – compassionate		✓				
	Heart - empathetic		✓				
	Heart – caring		✓				
	Heart - motivational		✓				
	Heart – sensitive		✓				
	Heart – people-oriented		✓				

Item	UMP China Assessment	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree	Notes / Comments
		(1)	(2)	(3)	(4)	(5)	
	Heart – high EQ leader		✓				
	Hand – outstanding executor				✓		
	Hand – doer				✓		
	Hand – facilitator				✓		
	Hand – controller			✓			
5	Has the 3-H perspective been woven into the organisation's mission and other management policy statements, which were notably published and periodically distributed to employees through corporate newsletters?			✓			
6	Have the purposes and significance of the 3-H perspective been preached and discussed in major corporate events such as strategic plan, annual management review meetings?				✓		
7	Does the corporate culture support the development of 3-H indoctrination in the organisation?				✓		

Total score: $(5*0) + (4*6) + (3*6) + (2*8) + (1*1) = 59$

The total 3-H functionality score for the author's assessment of his management style was 74 out of the maximum of 105. The total 3-H functionality score for assessing author's views of the level of adoption of the 3-H framework for the UMP Group as a whole was 59 out of a maximum of 105. There is therefore a difference of 16 points between (a) the self-assessment and (b) the author's assessment of his direct reporting authority (i.e. UMP Board of Directors).

The notable finding from the completion of the questionnaire is the *difference* in scores between (a) and (b) per the immediate preceding paragraph. While the author views the success of the GOLD programme and the launch of the PPP network as having been a successful project *thus far*, based on the "perfect 3-H Functionality score" of 105, there is still significant room for improvement in increasing the 3-H Functionality score for UMP China and UMP Group, with the overall goal of also reducing the difference between (a) and (b).

The author is of the view that that the success thus far for the GOLD programme and for establishing PPP clinics is due to a combination of factors, which, referencing the 3-H framework, would include:

- (i) explaining to team members and collaboration partners on why UMP China is rolling out the GOLD programme and the reason for the launching the PPP clinic model (under the 3-H framework, this would be the Heart element)
- (ii) how UMP China has adopted its strategy to ensure it is delivering the right product to its users (under the 3-H framework, this would be the Head element); and
- (iii) what UMP China has done / will continue to focus the team members and partners on to deliver further on its objectives (under the 3-H framework, this would be the Hand element).

The 3-H framework has provided the author with a useful mindset, a lens through which the author can use to remind himself and his team that for the organisation to succeed, the three critical parts of the human body, the Heart, Head and Hand must all be aligned in order to implement steps to fulfil the organisation's vision. As compared to other management theories including those selected for literature reviews as stated above, the author finds that the excellence of the 3-H framework is it is a powerful and memorable metaphor, stimulating managers to take actions within such framework. The 3-H framework is also, given its comparative simplicity as compared to other management theories, likely suitable for application to most employees of UMP China and UMP group as a whole.

The GOLD programme and the PPP clinic projects are now at an inflection point of growth, which requires significant alignment of individuals with different background and experience to work together collaboratively to achieve its growth potential. Where the author differs in his views, as compared to Yu (Yu, 2019, p. 23), is on whether the 3-H framework can and should be applied to every employee within an organisation.

Yu thinks that top management should be more heart and head oriented, and junior managers in an organisation should be comparatively more hand oriented. The author, on the other hand, believes this will form the area for potential future research for 3-H framework. In retrospect, the author believes that the 3-H framework could and should be applied to both senior management, middle managers, frontline staff *as well as* being applied to standalone projects.

To ensure everyone in an existing organisation is aligned on a 3-H framework is not an easily achievable task, but for standalone projects, the author believes it is more executable. More importantly, if an organisation wants to fully implement the 3-H framework, the author is of the view that it is likely more effective to use standalone projects as trial grounds before implementing such framework to the broader organisation.

As Nelson Mandela once said, it always seems impossible until it is done. The author strongly believes that the Heart, Head and Hand must be aligned before one can inspire organisations and team members to achieve the power of teamwork and to believe in change. The author shall whole heartedly implement the 3-H framework in its various forms to as many employees as possible across UMP China and UMP Group, until it is done.

Recommendations For Future Research

The author's experience at UMP China and UMP Group has given him enough confidence that the 3-H framework can be applied to everyone within an organisation. However, to ensure such application, it is critical that senior management at the organisation are all in alignment on such framework. To extend on Yu's 3-H framework, the author would like to suggest researching *"Maximising the chance of success in implementing the 3-H framework: what are the critical elements an organisation must possess for 3-H framework implementation and the important roles to be played by senior management and human resources department."*

Based on the author's experience, to roll out the implementation of the 3-H framework, it is critical to identify a senior management member that is fully on board with the 3-H framework and also truly appreciates and understands the vision and values of the organisation. The senior management must be able to explain to all managers that the 3-H framework is critical in helping its organisation to develop a sustainable management culture based on the organisation's fundamental values.

Full involvement of the human resources department for the 3-H framework application

The author is of the view that the human resources department would play a very critical part in the implementation, especially so when the human resources team typically would be in charge of the recruitment of the junior managers of the organisation. The author would, to a certain extent, go as far to hypothesise that an organisation's human resources strategy is likely the most important *Hand* element if the organisation wants to educate all their managers to implement the 3-H framework.

For an (i) existing organisation to educate its managers to adopt the 3-H framework or (ii) a new organisation or team to adopt the 3-H framework, the author believes that it is important to start from the source, meaning that the human resources department should embrace the 3-H framework into its day to day policies, administrations, and especially, on the recruitment and retention of the organisation's managers.

Too often in Hong Kong and in China, the human resources department is seen as a supporting department only with relatively less involvement in an organisation's execution of business ideas and strategies. Without the human resources department's support, and more importantly, without having senior management's backing the human resources department, the author believes that it will be very difficult to implement and to explain to managers the importance of the 3-H framework. To extend the influence of the 3-H framework, it is therefore meaningful to conduct further research on how senior management and the human resources department of an organisation could work together, to define the critical elements an organisation must possess, so as to maximise the chances for success in implementing the 3-H framework.

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